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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, : 09-CR-466(BMC)
Plaintiff, :
-against- : United States Courthouse
Joaquin Archivaldo Guzman :
Loera, : Brooklyn, New York
Defendant. : January 23, 2019
9:30 o'clock a.m.

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TRANSCRIPT OF TRIAL
BEFORE THE HONORABLE BRIAN M. COGAN
UNITED STATES DISTRICT JUDGE, and a jury.

APPEARANCES:

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30 Proceedings recorded by mechanical stenography, transcript
31 produced by computer-aided transcription.

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1 THE COURT: Good morning.

2 Mr. Balarezo, I think the witness you wanted is
3 going to be here today.

4 MR. BALAREZO: I'll speak with the marshals.

5 THE COURT: Speak with the marshals, speak with
6 Ms. Clarke in coordinating it.

7 (Jury enters.)

8 THE COURT: Everyone be seated. Good morning,
9 ladies and gentlemen.

10 (A chorus of good mornings.)

11 THE COURT: We continue to make very good progress,
12 and we'll pick up on direct examination.

13 **DAMASO LOPEZ NUNEZ,**

14 called as a witness, having been previously duly
15 sworn, was examined and testified as follows:

16 **DIRECT EXAMINATION**

17 **BY MS. LISKAMM (Continuing):**

18 Q Good morning, Mr. Lopez.

19 A Good morning.

20 Q When we left off yesterday, you were explaining that the
21 Defendant was looking for Cesar Gastellum; do you recall that?

22 A Yes.

23 Q Did you agree to help the Defendant look for Cesar?

24 A Yes.

25 Q And how would you communicate with the Defendant about

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1 that?

2 A Via BlackBerry.

3 Q Was that using the office system we discussed yesterday?

4 A Yes.

5 MS. LISKAMM: And your Honor, I believe there's no
6 objection. We would seek to introduce Government Exhibit
7 515-5.

8 THE COURT: All right. Admitted.

9 (Government Exhibit 515-5 so marked.)

10 MS. LISKAMM: For the record these are excerpts from
11 Government Exhibit 610N-2E2.

12 If we could turn to Slide 2.

13 (Exhibit published to the jury.)

14 Q On the left-hand side of the screen, we see Ofi and
15 Telcel Nuevo.

16 Who is sending the message where it says "Ofi"?

17 A Ofi is my compadre. Telcel Nuevo is me.

18 Q And then starting at Paragraph 4, where the Defendant
19 says: Your compadre says that he just got news through a
20 Colombian who's there that he knows who Enrique is. He is at
21 a ranch, that he is going to talk to a neighboring ranch to
22 see if they'll allow him to bring people in because he has
23 gunmen. He has as a car armed people, around eight or ten.
24 God is helping us. Because our friend knows where Enrique has
25 that ranch and Enrique lives there.

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1 Who is Enrique?

2 A That's Cesar.

3 Q And what is the Defendant telling you here?

4 A That a person knows where Cesar is and that that person
5 is willing to help, and that they are looking for a ranch that
6 is close to the place where Cesar is, and that Cesar has
7 gunmen taking care of him, he has about eight to ten gunmen
8 with him.

9 Q Going to Paragraph 5, you say: Right, that could be
10 'cause, you know, Enrique has always told me he's like you,
11 alone at the ranch. But he emphasizes that same as you. So,
12 you tell if I should send back Mario because, from what I see,
13 it's pointless to have him there.

14 Who is Mario?

15 A Mario is the person that I had sent to Honduras.

16 Q For what purpose?

17 A He was going to point at Enrique.

18 Q What does that mean?

19 A Since he knew him, he knew who he was, he was going to
20 tell the gunman who Enrique was.

21 Q Let's now turn to Slide 4. And looking at Paragraph 8,
22 Defendant said: Well, your compadre says yes, it would be
23 good to hit that snitch. He is going to go because he lives
24 there, the Colombian says he lives there. If he goes out,
25 he's going to come back. He won't be out long without

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1 returning to that place because that's where he lives.

2 What is being discussed here?

3 A That sooner or later Cesar had to go back to that place
4 because he lived there. The Colombian who was passing on that
5 information was certain of that. It was just a matter of
6 waiting.

7 Q What does it mean when it says "it would be good to hit
8 that snitch"?

9 A To "hit," that means to kill him.

10 Q Okay. Mr. Lopez, are you aware of whether the Defendant
11 was able to locate and kill Cesar?

12 A No, he did not locate him, and he didn't kill him either.

13 Q Do you know why?

14 A Cesar was arrested.

15 MS. LISKAMM: Okay. All right. I think that's it
16 with the PowerPoint.

17 Q I want to direct your attention now to February of 2014.

18 Are you aware of any law enforcement raids in
19 Culiacan at that time?

20 A Yes, I remember that one day there were Navy helicopters
21 that arrived in Culiacan. There was also Navy personnel who
22 came by land. I told my compadre. I told him about it.

23 And the house where I was at, I had just transferred
24 to that place a day earlier. And I was taking precautions and
25 I got out of the house and I switched to a different place.

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1 And when I was at the place where I had taken refuge, in the
2 early dawn I could hear the helicopters. And the noise of the
3 helicopters woke me up, so I turned on the radio and I was
4 listening. They reported a Navy operation in Guadalupe
5 neighborhood, which was right behind the San Martin Funeral
6 Home.

7 And coincidentally, the night before, I had been
8 there the night before. In fact, the house where I was living
9 at was right around that area. And when they reported --

10 MR. BALAREZO: Objection.

11 THE COURT: I'm not sure why he's telling us this
12 level of detail. What's going to happen next?

13 MS. LISKAMM: Your Honor, I'm simply just trying to
14 elicit the raid. I can move on to the next part of this.

15 THE COURT: Let's move on. Go ahead.

16 Q Mr. Lopez, do you know someone called La Diputada?

17 A Yes.

18 Q Who is that?

19 A Lucero.

20 Q Why is she called La Diputada?

21 A Because she was a diputada, a Congresswoman in the State
22 of Sinaloa.

23 Q Have you ever met her?

24 A Yes.

25 Q Showing you what's already in evidence as Government

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1 Exhibit 92.

2 (Exhibit published to the jury.)

3 Q Who is this?

4 A That's Lucero.

5 Q What was her relationship with the Defendant?

6 A I knew that they had, like, a romantic relationship.

7 They were boyfriend or girlfriend, something like that.

8 Q When you met with her, did you have any conversations

9 with her about what happened in Culiacan in February 2014?

10 A Well, yes. I met up with her a few months later after
11 that operation. Actually, she asked to talk to me and I met
12 up with her.

13 Q And what did you discuss?

14 A She told me that she had been at that place that had been
15 searched and that my compadre was there, and, fortunately,
16 they had escaped through the rainwater drain that was in the
17 city.

18 Q You mentioned that this raid had occurred in the
19 Guadalupe neighborhood.

20 A Yes, in the city of Culiacan.

21 Q Are you familiar with the house that they raided?

22 A Yes.

23 Q How?

24 A Where I used to live, it was almost right across from
25 that house. I mean, I didn't really live there; I used the

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1 house once in a while.

2 Q Showing you what's already in evidence as Government
3 Exhibit 219-2.

4 (Exhibit published to the jury.)

5 Q Do you recognize that?

6 A Yes, that's the house in Guadalupe neighborhood.

7 Q After this raid occurred in Culiacan, are you aware of
8 anything notable occurring with respect to the Defendant?

9 A He was detained in Mazatlan by the Navy.

10 Q Did you speak to any of your Government contacts about
11 what happened in Mazatlan?

12 MR. BALAREZO: Objection.

13 THE COURT: Sustained.

14 MS. LISKAMM: Your Honor, can we have a sidebar?

15 THE COURT: Sure.

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17 (Continued on the following page.)

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Sidebar

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1 (The following occurred at sidebar.)

2 THE COURT: Sounds like an out-of-court statement
3 offered to prove the truth of what it asserts.

4 MS. LISKAMM: Your Honor, we're submitting this as a
5 co-conspirator statement.

6 THE COURT: As a?

7 MS. LISKAMM: Co-conspirator statement.

8 THE COURT: Who's the co-conspirator?

9 MS. LISKAMM: Javi. He was one of the employees who
10 testified numerous times about -- as the person who is in
11 touch with all the Government contacts. He testified about
12 the bribes that they were paying to get information about law
13 enforce, raids. He was the individual asking questions in the
14 interrogation video we showed yesterday.

15 THE COURT: I didn't hear it come from Javi, I heard
16 it coming directly from Government contacts.

17 MS. LISKAMM: He was answering that it was Javi,
18 coming from the government contacts.

19 THE COURT: Rephrase the question. If it's from
20 Javi, it's okay. If it's from unnamed government contacts
21 that's --

22 MR. BALAREZO: That's my objection. I heard the
23 same thing.

24 (Continued on the following page.)

25

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1 (Sidebar ends; in open court.)

2 BY MS. LISKAMM:

3 Q Mr. Lopez, did you have any conversations with Javi about
4 what happened in Mazatlan?

5 A Yes. Javi reported to me that his federal governmental
6 contacts were telling him --

7 MR. BALAREZO: Objection. We have two levels.

8 THE COURT: What about that first level?

9 MS. LISKAMM: The same --

10 THE COURT: Actually, I think it's okay for reasons
11 I'll tell you at sidebar, if you want. I'll overrule the
12 objection.

13 THE INTERPRETER: May the interpreter finish what he
14 said?

15 THE COURT: Yes, go ahead.

16 A -- and they had arrested my compadre.

17 Q What date was that?

18 A February 22.

19 Q Of what year?

20 A 2014.

21 Q And how do you remember that date?

22 A That day, that was my birthday.

23 Q Did you speak with Javi about where the Defendant was --
24 what prison he was taken to?

25 A Yes, Javi told me, and the media also reported, that they

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1 took him to Altiplano in the State of Mexico.

2 Q Where is Altiplano located?

3 A To the north of the City of Toluca in the State of
4 Mexico.

5 Q Based on your knowledge of the prison systems, are you
6 aware of whether Altiplano Prison was ever called a different
7 name?

8 A Almoloya, La Palma.

9 Q While the Defendant was in prison, did you have any
10 conversations with anyone who visited him there?

11 A The attorney.

12 Q Which attorney?

13 A Oscar.

14 Q Who is -- how did you refer to Oscar?

15 A Licenciado Oscar.

16 Q Who is Licenciado Oscar?

17 A He was the person who was in charge of defending my
18 compadre's case and who would visit him at the prison.

19 Q When Licenciado Oscar would visit at the prison, would he
20 relay any messages to you?

21 A Yes.

22 Q And who were those messages from?

23 A From my compadre.

24 Q Generally, what type of messages would you receive?

25 A Well, I received a few letters from him, meaning from my

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1 compadre.

2 Q Who were they delivered by?

3 A Licenciado Oscar.

4 Q Did Licenciado Oscar relay anything else to you?

5 A Yes. There were many messages that he would send me,
6 greetings. And, also, I would send him some.

7 Q Okay. Did Licenciado Oscar relay any messages to you
8 related to Negro?

9 MR. BALAREZO: Objection.

10 THE COURT: Overruled.

11 A Yes.

12 Q And what was that message?

13 A My compadre sent word to me to do this favor for him, to
14 speak to Mr. Mayo and so that he would call Negro to meet up
15 with him and for him to kill him because Negro had turned him
16 over in the City of Mazatlan.

17 Q Who was the "he" and "him" you're referring to?

18 A My compadre sent the message to me through Licenciado
19 Oscar so that I would then talk to Mayo and for Mayo to call
20 Negro in so that they would kill Negro.

21 Q Did Licenciado Oscar say anything to you about why the
22 Defendant wanted to kill Negro?

23 MR. BALAREZO: Continuing objection.

24 THE COURT: Overruled.

25 A Yes, because Negro had turned him in, Negro had turned

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1 him in to the Government.

2 Q Based on your knowledge of the Defendant's security, who
3 was in charge of the Defendant's security in February 2014?

4 A Negro.

5 Q Approximately when did you receive this message from the
6 Defendant through Licenciado Oscar?

7 A It was in April, at the beginning of April.

8 Q And what did you do after receiving this message?

9 A I sent a message to Mr. Mayo to get whether he could
10 receive me. He did so in person, so I gave him the message.
11 He tell me to give greetings to my compadre, his compadre, and
12 to tell him that he could count on that; that, in fact, Negro
13 had already requested a meeting with him, with Mr. Mayo, and
14 that that would make things easier.

15 So, they agree on a meeting at some place. Mayo
16 sent someone to pick him up.

17 MR. BALAREZO: Objection, 602.

18 THE COURT: The last part is stricken.

19 Q Mr. Lopez, after you had this conversation with Mayo
20 relaying Chapo's request, did you speak with Mayo again about
21 Negro?

22 A Yes. Once Mr. Mayo had done the favor, he looked for me,
23 and he explained to me how things had taken place and to let
24 my compadre know that Negro's thing had already been done.

25 Q What did that mean?

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1 A That he had already killed him.

2 Q Okay. Were there any other instances where you were
3 asked to relay a message between the Defendant and Mayo?

4 A I don't remember.

5 Q Okay. Do you know somebody named Barbarino?

6 A Yes, I met him.

7 Q Were you ever asked to relay a message related to
8 Barbarino?

9 A Yes.

10 Mr. Mayo looked for me. I went to see him in
11 person. He told me to do him the favor of sending a message
12 to my compadre, to tell him that Barbarino was behaving really
13 badly, he was going around stealing and abusing people, that
14 it was painful to Mr. Mayo because he was also his compadre,
15 but that he had to put an end to the abuse.

16 So, the message to my compadre was that Mr. Mayo
17 wanted to kill him, to know whether my compadre was in
18 agreement.

19 Q When did you have this conversation with Mayo about
20 Barbarino?

21 A That was in February of 2015.

22 Q And who is Barbarino?

23 A Barbarino was a gunman who worked for the Sinaloa cartel.

24 Q Have you ever met him?

25 A Yes.

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1 Q How many times?

2 A On several -- I saw him on several occasions.

3 Q Okay.

4 MS. LISKAMM: And I believe there's no objection --

5 MR. BALAREZO: None, your Honor.

6 THE COURT: What's the number?

7 MS. LISKAMM: Government seeks to move Government
8 106 into evidence.

9 THE COURT: Received.

10 MS. LISKAMM: Thank you.

11 (Government Exhibit 106 so marked.)

12 (Exhibit published to the jury.)

13 Q Mr. Lopez, who is this?

14 A He is Barbarino.

15 Q After you met with Mayo to discuss Barbarino, what did
16 you do next?

17 A I looked for the lawyer Oscar to give him the message so
18 that he could do us the favor of relaying that message to my
19 compadre. Once he did, once he relayed the message, my
20 compadre's response was to tell Mayo that anything that
21 Mr. Mayo did was fine.

22 Q Did you relay this back to Mayo?

23 A Yes; I spoke to him on the phone, I saw him in person,
24 and I explained to him.

25 Q Did you later hear anything over the radio related to

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1 Barbarino?

2 A Yes, we later heard on the radio that Barbarino had been
3 killed near the new boardwalk in the City of Culiacan.

4 Q Now, we discussed several murders where you have been
5 involved in relaying orders.

6 Have you ever personally killed anyone?

7 A No.

8 Q Have you ever ordered anyone kidnapped?

9 A Yes.

10 Q Approximately how many people?

11 A I don't remember the exact number, but there were
12 several.

13 Q Have you ever used fake or false IDs?

14 A Yes, I have.

15 Q Why?

16 A Because I was protecting myself from the government.

17 Q What does that mean?

18 A That if they would stop me at any roadblock, you know,
19 the police on the highway, if they were looking for Damaso,
20 they would see a different name.

21 Q Have you ever purchased property in someone else's name?

22 A Yes.

23 Q And why did you do that?

24 A For safety, so that the government wouldn't have the
25 information.

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1 Q Now, you've previously mentioned that you received some
2 letters from the Defendant while he was in jail; is that
3 correct?

4 A Yes.

5 Q And how did you receive those?

6 A Through Licenciado Oscar.

7 Q Approximately when did you receive those letters?

8 A I think it was in April, May, June, around that time, of
9 2014.

10 Q And how many letters did you receive?

11 A Three.

12 Q Were the letters handwritten or typed?

13 A Handwritten.

14 Q And how did you know that the letters were from the
15 Defendant?

16 A They were addressed to Compadre Lic, who is me, and they
17 were signed by my compadre.

18 Q Did Licenciado Oscar say anything when he gave you the
19 letters about who they were from?

20 A Yes, he mentioned to me that my compadre was sending
21 those letters.

22 Q Was there anything distinctive about the handwriting that
23 you recognized?

24 A It reminded me to the handwriting that I used to see when
25 I worked at the penitentiary.

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1 MS. LISKAMM: At this time, the Government would
2 seek to admit Government Exhibit 806-1, -2, and -3.

3 MR. BALAREZO: No objection.

4 THE COURT: Received.

5 (Government Exhibits 806-1, 806-2, and 806-3 so
6 marked.)

7 MS. LISKAMM: Government Exhibit 806-1, 806-2,
8 806-3, which is two pages.

9 (Exhibits published to the jury.)

10 Q Mr. Lopez, are these the letters that you received?

11 A Yes.

12 Q And at the top of these three letters there, it appears
13 to be addressed to Compadre --

14 A Yes.

15 Q -- Compadre, Compadre Lic?

16 A Yes.

17 Q And on the back of these letters, what are the initials
18 that are signed?

19 A JGL.

20 Q And what are the Defendant's initials?

21 A JGL.

22 MS. LISKAMM: And at this point, your Honor, and I
23 believe there's no objection, we'd like to admit Government
24 Exhibit 517, which is a PowerPoint.

25 THE COURT: Okay. Received.

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1 (Government Exhibit 517 so marked.)

2 MS. LISKAMM: And for the record, the PowerPoint
3 contains the transcripts -- translations of these letters,
4 which are Government Exhibits 806-1T, 806-2T, and 806-3T.

5 (Exhibits published to the jury.)

6 Q And let's go ahead to Slide 4. Looking at Line 13
7 through 16, it says: I wanted to ask you and my children to
8 talk among yourselves about what you hear and don't take to
9 heart what people are saying. We already know that without a
10 finger they will never do anything. There are two things that
11 must be done: No one should know where you all sleep except
12 yourselves and don't go to public places, and nothing will
13 ever happen.

14 What is the Defendant saying to you here?

15 THE COURT: Hold on a second.

16 MR. BALAREZO: Objection.

17 THE COURT: What's the objection?

18 MR. BALAREZO: The document speaks for itself.

19 THE COURT: No, it doesn't. The witness can give
20 his understanding of the document.

21 MS. LISKAMM: Thank you.

22 A For my compadre's sons and myself to have good
23 communication so as not to get involved in gossip and to be
24 careful not to be in public places and to take care of
25 ourselves. Basically, that was the recommendation.

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1 Q What does that mean, not to go to public places?

2 A Because people might recognize you and give information
3 about you.

4 Q And why would that be a problem?

5 A Because we were hiding from the government.

6 Q On Line 14 on this slide, there's a reference to a
7 "finger."

8 What is that a reference to?

9 A "Finger" is a person who gives information about someone
10 else to the government.

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12 (Continued on the following page.)

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1 BY MS. LISKAMM: (Continuing.)

2 Q Okay. And let's continue on. We'll jump down to line
3 19. "The danger is the people from the company because
4 they're the ones who know about you and they're the ones that
5 can set you up. The five of you should talk about what I'm
6 telling you and like I say without a finger, they will never
7 find you all and a finger will always be someone close to us."

8 And what is being discussed here?

9 A That, in fact, the only people that we were running a
10 risk from were those who knew us and worked with us. So that
11 we had to be very careful from our own people, especially
12 those who knew where we spend the night.

13 Q On line 20 there's a reference to "the company." What is
14 that?

15 A The company in which I worked with my compadres. That's
16 how we used to call it, enterprise or company.

17 Q I thought I heard you use the word *empresa*; is that
18 correct?

19 A Yes, company, enterprise.

20 Q Okay. And then on line 21 it says, "The five of you."
21 Who is that a reference to?

22 A My compadre's four sons and myself.

23 Q And before we move on to the next slide on line 17,
24 there's a reference to a Rene. Who is that?

25 A Rene is the person in charge of La Paz Plaza in Baja

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1 California Sur.

2 Q Is that the same Rene that we discussed in the intercept
3 yesterday?

4 A Yes.

5 Q Okay. Let's move on to the next slide, slide five.

6 Starting on line 24, "Apart from that I ask you to see what
7 Pollito is doing. We need to catch those people and if
8 Pollo's people don't do anything, you need other collectors
9 recommended to you, because that Chef and Caballero kept one
10 ton that belongs to the five: Cosina and I, and the rest. I
11 invested everything I sent to Canada from Enrique's brothers.
12 More than three were bought with all that money and those two
13 scoundrels kept everything."

14 What is being discussed here?

15 A When my compadre was arrested those people who help him
16 in Columbia take possession of the merchandise that my
17 compadre had bought. So my compadre sent a message to me to
18 speak to Pollito, one of our friends in Columbia, to look for
19 those people and help recover the merchandise.

20 Q The Pollito that's referenced on line 24, is that the
21 same Pollito that we discussed yesterday in the intercepts?

22 A Yes.

23 Q The reference on line 26 to Cosina is a reference to who.

24 A Mr. Mayo.

25 Q And the 5 on that same line is a reference to who?

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1 A The partners, the partners; Mayo, my compadre, Mauricio,
2 Pancho and Aldo.

3 Q And the reference to Enrique's brother, who is that a
4 reference to?

5 A Cesar's brother.

6 Q It says "more than three were bought." What is three?

7 A Three tons.

8 Q Okay. And then still on line 28 there's a reference to
9 Panchito, who is that?

10 A Panchito, Jorge's brother.

11 Q Okay. And then moving down to line 30, there's a
12 reference to a Lic Oscar. Who is that?

13 A That's the attorney who would visit my compadre.

14 Q And is that the person who gave you these letters?

15 A Yes.

16 Q Going to slide six, "Speaking of J. My friend tells me
17 that he won't stop talking. Who is J."

18 A Jorge, Panchito's brother.

19 Q And what is being discussed here?

20 A It is understood that he hasn't stopped talking to the
21 Government meaning providing information.

22 Q At this point was Jorge Cifuentes in custody or out of
23 custody?

24 A He was in custody.

25 Q Turning to slide seven on line 40 it says, "Apart from

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1 that, I ask that the biweekly salary be given to Ricon's wife.

2 Who is Ricon?

3 A I don't know him.

4 Q Okay. Have you ever discussed who he is with the
5 defendant?

6 A Yeah. He's the one who helped him in Ecuador and
7 Columbia.

8 Q Helped him how?

9 A Finding the drugs and all the different errands related
10 to the drugs.

11 Q And then on line 41 again there's a reference to Lic
12 Oscar, is that the same Lic Oscar?

13 A Yes.

14 Q Okay turning to the next lines 44 and 45. "I ask you to
15 hurry Cleto up. I will be sending you all messages with the
16 lady. Also let me know through her if there's anything new."
17 What's being discussed here?

18 A Well, for me to hurry Cleto up. Cleto would help with
19 the heroin. He would add the cut to the heroin.

20 Q Is this the same five that we discussed in the intercepts
21 yesterday?

22 A Yes.

23 Q And it says, I will be sending all messages but with the
24 lady." Who is the lady?

25 A My comadre.

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1 Q Who is your comadre?

2 A Emma.

3 Q And if we can go to slide 11. At the end of the letter,
4 "Well, compadre, I send you a hug. Regards to my godchildren,
5 my comadre, your daughter, my compadres, your sisters, your
6 mother and your brothers. Your compadre, who loves you and
7 appreciates you, JGL."

8 Is the defendant just saying goodbye in the letter?

9 A Yes.

10 Q Okay. Let's now turn to slide 13. And this is from the
11 second letter which is Government Exhibit 806-2. "Compadre,
12 do me a favor and talk to Pollito. Tell him I say hi and to
13 please recommend a collector to tie up Chef so that he gives
14 up the 400 he has, and there are 400 more with a friend who
15 was arrested together with the pilots that Cachimbas sent."

16 What is being discussed here?

17 A That Pollito should talk to Chef so that he would recover
18 the 400 kilos and the other 400 that another person had.

19 Q 400 kilos of what?

20 A Drugs.

21 Q Is this the same weight that we discussed?

22 A Yes.

23 Q And who is Chef?

24 A I don't know him.

25 Q And how about Cachimba?

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1 A Cachimba is a pilot who worked with my compadre.

2 Q Turning to slide 14, lines 10 and 11: "Remember to pay
3 Callo and Conta's rent in Europe. Those companies are clean.
4 The diputada is aware of that -- is aware of that so as to get
5 them going."

6 Who is Callo?

7 A I don't know him.

8 Q Have you ever talked to the defendant about who Callo is?

9 A Yes, he would help him in Ecuador with everything related
10 to drugs.

11 Q And is that the same Callo that we discussed yesterday in
12 the intercepts?

13 A Probably so, yes.

14 Q Okay. What is the reference to the companies being
15 clean?

16 A Some companies that have been registered in Europe but
17 when I met up with the diputada, when I spoke to her, she told
18 me that those papers had been at the house, that they had been
19 searched and we shouldn't trust them.

20 Q What had those companies been used for?

21 A I assume that they would be used to move merchandise, to
22 move the drugs. That's my assumption. I don't know.

23 Q Going to line 13 it says, "One time remained there with
24 the cocaine, *El Caballero*." One time what?

25 A Cocaine.

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1 Q Moving ahead to slide 16. On line 25 it says, "The
2 person who's in jail over there with Eduardo also has 50
3 bullets of 40 and 5 of RPG7." What is Eduardo?

4 A Ecuador.

5 Q And what is the reference to 50 bullets of 40?

6 A That's the 50 bullets of 40 caliber that were used with
7 the grenade launchers.

8 Q Okay. And the five of RPG7 is a reference to what?

9 A Those are more powerful weapons like some tubes that
10 actually launch bullets and the bullets are much larger.

11 Q Okay. And moving down to lines 28 and 29, "And Ricon has
12 322 kilos and 443 of 40 and 13 of RPG7. Pick up everything
13 any way possible."

14 What is this a reference to?

15 A Well, it's understood that they're referring to 322 kilos
16 of drugs and 433 bullets of 40. In addition to 13 bullets of
17 RPG7s.

18 Q It says "Pick up everything." Do you know where that was
19 supposed to be picked up?

20 A We had to look for that person and then see if that
21 person would help. And Pollito was going to be helping.

22 Q Who is that person?

23 A The person who had my compadre's things.

24 Q Do you know what that person's name was?

25 A Well, the cook. And Cachimbas' friend who he called El

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1 Batalloso.

2 Q Moving on to slide 17. At line 37, "For anything having
3 to do with Chuy Tono, talk immediately with my comadre on my
4 behalf and she will resolve any problems. Oscar communicates
5 with my comadre, so does the mother of the twins. So if
6 anything comes up they will put her in contact with you all."

7 Who is Chuy Tono?

8 A Chuy Tono was the director of that ministerial state
9 police.

10 Q Why was the defendant telling you a reference to Chuy
11 Tono?

12 A Because Chuy Tono was misbehaving with my son and with me
13 and his intention was to arrest us.

14 Q And the reference to comadre, who is that a reference to?

15 A My compadre's comadre.

16 Q And who is that?

17 A I know her, but I don't recall her name.

18 Q Okay. And how about the mother of the twins?

19 A My comadre, Emma.

20 Q And the reference to Oscar?

21 A My compadre's attorney.

22 Q The one who gave you the letters?

23 A Yes.

24 Q Okay. And let's now go to slide 21. All right. It
25 says, "I wanted to tell you that although nothing here is

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1 easy, in a way I have gotten lucky because the director has
2 been very kind to me. He has helped me when I asked."

3 What is this a reference to?

4 MR. BALAREZO: Objection.

5 THE COURT: Overruled.

6 A It is understood that the director of the jail where my
7 compadre was at had gotten him some of the things that my
8 compadre had requested from him.

9 Q Turning to slide 22 -- actually, sorry, we're going to
10 skip that one and move this along. Turning to slide 23
11 starting on line 27, it says, "Hire accountants throughout the
12 state and pay the guys and widows from there. And whatever is
13 left per month, half is for you and half for the four of
14 them."

15 What does this mean?

16 A Well, my compadre was recommending -- well, since in
17 Sinaloa in some of the cities they were selling drugs in
18 retail, Narco Menudeo, that we had to have an accountant and
19 have only one account so that accountant will have all of the
20 accounting and from there we would pay the widows of hit men
21 who had passed away. We would then pay the active hit men.
22 We would also cover the expenses of the ranches and what was
23 left was going to be split up into parts. One for the four
24 sons of my compadre and the other part for me.

25 Q All right. Turning to slide 24 starting at line 32, "And

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1 if three is okay, let me know and if they got it file a writ
2 of amparo. You know who has the papers from that place. Send
3 them to the girl twins please. The twins' mother will tell
4 you and my children something. Please be alert, compadre.
5 She will explain."

6 What is the reference to 3 here?

7 A Well, 3 that's how we called the place which was a
8 landing airstrip.

9 Q And what is being discussed here in reference to that
10 airstrip?

11 A Well, what happened was that the Navy had intervened.
12 They took control of that area and they established a base of
13 operations there. And that's why my compadre was suggesting
14 that we should file a writ of amparo so that we could recover
15 that place.

16 Q What is a writ of amparo?

17 A It is a brief or a written request that is filed with a
18 judge requesting for them to return -- for them to return the
19 place to the rightful owner and for that to be vacated by the
20 Government.

21 Q And at the end of this section on line 35 it says, "She
22 will explain." What does that mean?

23 A That he was going to send a message with my comadre.

24 Q And who is that?

25 A My comadre, Emma.

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1 Q Turning to slide 25, "Apart from that, Oscar has been
2 telling me what you said about Pollito. And over there with
3 Eduardo, over there with Callo. Please pick up the 400 that
4 Chef has and there are 400 more with a person who is in jail.
5 He also has 50 bullets of 40 and 5, like the one Negro gave
6 Cosina as a gift. Ricon has 322 and 443 bullets of 40 and 13
7 bullets like the one my compadre Negro gave Cosina as a gift."

8 This reference to the 400 that Chef has is a
9 reference to what?

10 A Drugs.

11 Q Okay. And the 5 like the ones Negro gave Cosina as a
12 gift, who is Negro?

13 A Negro was the head of security for my compadre.

14 Q The Negro that we is previously discussed?

15 A Yes.

16 Q And who is Cosina?

17 A Mr. Mayo.

18 Q Do you know what the 5 were that Negro gave him as a
19 gift?

20 A Yes, they were five bullets for RPG7.

21 Q Is that the same reference below where it says 13 bullet
22 like the ones my compadre Negro gave Cosina as a gift?

23 A Yes.

24 Q Moving ahead to slide 27, "Regarding Cleto, increase it
25 so there is more production. Say hi to Cleto. Tell him to do

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1 me a favor and help me out so that the first thing sold is my
2 share. You also, please do me the favor because I have a lot
3 of expenses here on a daily basis."

4 What is this a reference to?

5 A Cleto was fixing the cut. He was mixing that with the
6 cocaine -- synthetic, and my compadre wanted to increase the
7 production with respect to that and for Cleto to sell my
8 compadre's share because my compadre needed money.

9 Q Okay. Turning to slide 29. This will be the last one.
10 "Apart from that, the company in Europe needs to get running.
11 It is clean and Callo is also. I spoke with the Diputada for
12 all of that."

13 What is that a reference to?

14 A We spoke a while ago about the companies in Europe.

15 Q And is that the same companies?

16 A I suppose they are.

17 Q Okay. And the reference to diputada?

18 A Ms. Lucero.

19 Q And lastly starting on line 86, "The twins' mother will
20 write a message to all of you so that you all see it
21 personally." At this time when you received these letters
22 were you having contact with Emma Cornell?

23 A Yes. I had communications with her through my compadre's
24 sons or through the lawyer.

25 Q Or what type of communication or what would you discuss

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1 with her at this time?

2 A Messages to my compadre, she also looked me up, she
3 wanted to speak in person with me and we did so. We spoke in
4 person in Culiacan.

5 Q We'll talk about that in one second.

6 MS. LISKAMM: If we can switch back to the ELM0.

7 Q I'm showing you page two of Exhibit 806-3 and Mr. Lopez
8 right here on the letter what is that word?

9 A It says there *perico*.

10 Q And what is that?

11 A It is a word used to refer to cocaine also.

12 Q Okay. Now, Mr. Lopez, I wanted to direct your attention
13 to March of 2014. Did you meet with Emma at that time?

14 A Yes.

15 Q And where did that meeting take place?

16 A In the city of Culiacan.

17 Q And what did you discuss at that meeting?

18 MR. BALAREZO: Objection. Objection.

19 THE COURT: Hold it. Hold it.

20 MR. BALAREZO: Hearsay.

21 THE COURT: Overruled.

22 BY MS. LISKAMM:

23 A My comadre mentioned to me that my compadre sent his
24 regards and he also said he was okay given the circumstances
25 and to do him the favor of getting someone to be sent to

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1 Toluca so that he could help with some errands.

2 Q To be clear, at this time where was the defendant?

3 A He was in jail at the Altiplano prison.

4 Q And you said that the request was to send someone to
5 Toluca?

6 A Yes.

7 Q What is Toluca near?

8 A Toluca is basically to the south of Altiplano prison,
9 very close to the place.

10 Q And did you agree to help the defendant with this?

11 A Yes.

12 Q Who did you send to Toluca?

13 A I sent Leonardo there, one of my brothers-in-law.

14 Q Okay. And at a later point in time did you talk to
15 Leonardo about what he was doing in Toluca?

16 A Yes.

17 Q And what did he tell you?

18 A That he -- that he had been having meetings with some
19 guards and that he was paying them.

20 Q Okay. Did you meet with Emma again?

21 A Yes.

22 Q Where?

23 A At the same place in the city of Culiacan also.

24 Q And approximately when was this meeting?

25 A I think it was in April -- towards the end of March

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1 beginning of April, around then approximately.

2 Q And what did you discuss with her at this meeting?

3 A My comadre mentioned to me --

4 MR. BALAREZO: Same objection.

5 THE COURT: Overruled.

6 A My compadre was sending the message that he was thinking
7 of taking the risk again and escape from the prison. And he
8 wanted to know whether I could help him with that.

9

10 (Continued on the following page.)

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1 BY MS. LISKAMM: (Continuing)

2 Q Okay. And what was your response?

3 A That I would do it.

4 Q Okay. And you said that the meeting was either at the
5 end of March or the beginning of April. What year?

6 A Approximately 2014.

7 Q Okay. Did you have any further meetings with Emma?

8 A Yes.

9 Q When was that?

10 A I think it was June, May or June of the same year.

11 Q Okay. And who was present at that meeting?

12 A That meeting took place at a different place and my
13 *compadre*'s sons were present.

14 Q And what was discussed at that meeting?

15 A My *compadre* was asking -- he sent his sons, the question
16 whether they had already obtained the piece of land close to
17 Altiplano prison and he was also asking me to get a warehouse
18 close to Altiplano also. He also asked me to get him some
19 weapons and a pickup truck and an armored pick up truck.

20 Q How were these requests relayed to you?

21 A My *compadre* gave us his message.

22 Q Okay. And was there discussion as to why defendant's
23 sons were to look for a piece of land near the prison?

24 A The piece of land was because a tunnel had to be built
25 and then they would start to work.

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1 Q And was there a discussion about how the people digging
2 the tunnel were going to find the right location to dig?

3 A Yes. We were looking for a way to obtain a watch that
4 had GP, a GPS application that could give the coordinates of
5 the place.

6 Q And what was to happen with that GPS watch?

7 A Well, we had to buy it and get inside the prison to get
8 the coordinates from the cell where my *compadre* was.

9 Q Okay. What did you do after this meeting?

10 A I dedicated myself to get what had been asked from me.

11 Q Okay. And were you able to accomplish your tasks?

12 A Yes.

13 Q Okay. Was there another meeting with Emma and the
14 defendant's sons?

15 A We got together again at the same place which was my
16 *compadre's* sons' property. My *compadre* was present, Ivan,
17 Alfredo. I don't remember if Ovidio and Joaquin were there
18 and myself.

19 Q Sorry. Just to clarify, who was present at the meeting?

20 A My *comadre*, Ivan, Alfredo, Ovidio and myself.

21 Q Okay. And you said you weren't sure about Joaquin?

22 A Exactly.

23 Q And when did this meeting occur?

24 A It was about a month later or maybe a little less than
25 the previous meeting. I think it was in July approximately.

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1 Q Of what year?

2 A '14.

3 Q And what was the purpose of this meeting?

4 A My *compadre* had wanted to know the progress. His sons
5 mentioned that they had already obtained the piece of land but
6 they were about to close on it and that they were also about
7 to get the watch. Then I continued doing the things that I
8 had to do. I mean, it wasn't something that you could do
9 overnight but I was working on my things.

10 Q You mentioned the sons that were present at that meeting
11 and you weren't sure about Joaquin. Which Joaquin are you
12 talking about?

13 A My *compadre*'s son.

14 Q Okay. At some point -- you said you had not completed
15 the tasks that had been requested of you, correct?

16 A It wasn't completed at that time but when it was needed,
17 it was.

18 Q At some point, you had completed the tasks that were
19 requested of you?

20 A Yes.

21 Q Okay. And did you have any further meetings with
22 defendant's sons to discuss an escape plan?

23 A His sons and I got together on one occasion. We spoke.
24 That was, that was already in 2015. His sons mentioned to me
25 that my *compadre* sends a message that he was already hearing

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1 noises where he was, meaning those who were excavating, they
2 were already underneath. They said that can't be, how can you
3 hear noises from underneath. At one point, they even
4 convinced me of thinking the same way, but the truth was that
5 the noises were coming from the concrete, from the floor
6 below, not meters under the ground. That's why you could hear
7 it.

8 Q Was there a discussion at that meeting about a specific
9 date that the escape was going to happen?

10 A Well, what my *compadre* explained was it took place on a
11 weekend, Saturday and Sunday, because there are no officials
12 at the jail in those days and there are no visits from people
13 from the courts bringing notifications.

14 Q Did you see the defendant again after this last meeting
15 with his sons?

16 A Yes, I did see my *compadre* once he had already escaped.

17 Q And where did you see him?

18 A In the highlands, in La Tuna.

19 Q And approximately when was that?

20 A The escape was July 11th and I saw him about a week after
21 the escape.

22 Q Who else was present for that meeting with the defendant?

23 A My son came with me, he wanted to greet my *compadre*. And
24 at the place in La Tuna, Pedrito Loiaza was there, and
25 acquaintance, a friend of ours.

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1 Q What, if anything, did Pedrito Loiaza do for the cartel?

2 A Pedrito Loiaza had contacts in Belize so he could receive
3 drugs when needed there.

4 Q Okay. Going back to the meeting that you had with the
5 defendant, what was discussed at that meeting?

6 A Well, we were all happy because of what had happened, my
7 *compadre*'s escape, and it was then when my *compadre* mentioned
8 to me that, in fact, it had been months that he had been
9 listening to noises from underneath but the concrete had been
10 very difficult to break through and that that caused a lot of
11 noises and it was bothering the other inmates who were, in
12 fact, complaining about the noise that was being heard.

13 Q Did the defendant provide you with any other details of
14 the escape itself?

15 A Yes. When he went down, he rode on a motorcycle, on a
16 kind of motorcycle that had some, like, pulleys pulling it.
17 And that that way -- he got to the exit to the last piece,
18 piece of land where they had started building the tunnel. And
19 from there, he was transported to the warehouse that I had
20 rented on an ATV. And from there, they went to San Juan del
21 Rio, Queretaro, where a plane was already waiting for him to
22 take him to Sinaloa.

23 Q The motorcycle that you just referenced, where was that
24 motorcycle located?

25 A At the exit of the tunnel.

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1 Q Okay. How did the defendant use the motorcycle in the
2 tunnel?

3 A Oh, no, no, no. Well, there were two motorcycles, one
4 inside the tunnel and an ATV outside of the tunnel.

5 Q The one in the tunnel, how was it used?

6 A Another person drove it.

7 Q Okay. Through the tunnel?

8 A Yes.

9 Q Okay. And then who helped transport the defendant from
10 the exit of the tunnel to the warehouse?

11 A One of my *comadre's* brothers.

12 Q Okay. And then you said that he was driven, the
13 defendant was driven to an airstrip to get on an airplane?

14 A Yes.

15 Q And who was the pilot that flew the defendant away?

16 A Cachimba.

17 Q Have you ever met Cachimba?

18 A Yes.

19 Q Showing you what's already in evidence as Government's
20 Exhibit 93, who is this?

21 A He is Cachimba.

22 Q Okay. At a certain point after the defendant escaped,
23 did he ask you to set up a meeting with Mayo?

24 A Yes, my *compadre* called me and he told me that he wanted
25 to talk to a Mr. Mayo and for me to look him up. And so I

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1 sought out Mr. Mayo. He was very pleased. He also wanted to
2 greet my *compadre* and Mr. Mayo asked me where that meeting
3 would take place. I asked my *compadre* and he told me that at
4 La Tuna. And so Mayo said to me, Oh, I have a pilot and I
5 also have the plane. And he said he's going to take us and he
6 asked me to accompany him.

7 Q And did you go?

8 A Yes, I accompanied him.

9 Q Where did the plane land?

10 A At La Tuna.

11 Q And what happened after the plane landed?

12 A My *compadre* was waiting for us right there at the
13 airstrip. He picked us up. And we went up to the place where
14 he was at, where he was resting.

15 Q Okay. And what was the name of that location that you
16 went to?

17 A My *compadre* would call that place as *El Cielo*, the sky.

18 Q Okay. What happened at that meeting?

19 A We got there, we had breakfast and once I, once I had my
20 breakfast, I actually stepped aside, I left the table, and at
21 the table, then it was my *compadre*, Mr. Mayo, and Mauricio who
22 was accompanying Mr. Mayo who stayed there to talk.

23 Q Okay. Did you have any further meetings with the
24 defendant after this?

25 A Yes.

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1 Q Approximately how many?

2 A Total? Well, after my *compadre*'s escape, I met up with
3 him eight or nine more times, more or less.

4 Q Directing your attention to January of 2016, what
5 happened to the defendant?

6 A My *compadre* was arrested.

7 Q Did you talk to Javi about what had happened to the
8 defendant?

9 A Yes. Javi reported to me once he found out saying that
10 they were reporting an operation in the city of Los Mochis
11 where they wanted to arrest and capture my *compadre* but that
12 he had fled from the operation, however, when he was going
13 from Los Mochis to Guasave, he had been detained by the
14 federal roadway police.

15 Q Okay. Directing your attention to February of 2016, did
16 you have any meetings with Emma?

17 A Yes, my *comadre* sought me out.

18 Q And what happened at that meeting?

19 A My *comadre* told me that my *compadre* sent his regards and
20 that he would send word to say that he was going to make a
21 huge effort to escape again and he would also send word to ask
22 me to, to ask me if I could help him.

23 Q And what did you say?

24 A I said yes, I would help him.

25 Q Okay. Was that the only meeting you had with Emma during

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1 this time?

2 A No, we met up again after that.

3 Q Approximately when?

4 A About a month or even less than a month. What happened
5 was that at that meeting, I told my *comadre* that I could help
6 my *compadre* but that I didn't have any money. So my *comadre*
7 sought me out again and we met again and she told me that my
8 *compadre* wanted me to start looking for a plot of land close
9 to the jail and that he had sent some money and that I think
10 it was \$100,000 and that later on, I was going to be given
11 more depending on the price of the plot of land. And that
12 money was delivered to Culiacan.

13 Q Did you receive the money?

14 A One of my workers.

15 Q Did you speak with Javi to determine what prison the
16 defendant was located at at this time?

17 A At the time, my *compadre* was at Altiplano but, you know,
18 the only thing was that about a month or two months later, he
19 was switched to the prison in Ciudad Juarez.

20 Q And did you meet with Emma again?

21 A Yes.

22 Q And what did you discuss?

23 A My *comadre* told me that they were trying to figure out a
24 way for my *compadre* to go back to the Altiplano jail, that the
25 director of the centralized entity of prevention and social

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1 rehabilitation, which is like the chief of all the different
2 prisons in Mexico, that he was helping and that some money had
3 been given to him and they were just waiting for them to send
4 my *compadre* back.

5 Q How much money was paid to the director of the prisons?

6 A I remember I was told it was \$2 million.

7 Q Were you able to help the defendant eventually escape?

8 A No. My *compadre* wasn't taken back to the Altiplano jail.

9 Q Okay.

10 (Continued on next page.)

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1 MS. LISKAMM: Your Honor, this might be a good time.

2 THE COURT: Okay. We will take our morning break,
3 ladies and gentlemen. Please don't talk about the case. See
4 you at 11:20.

5 (Jury exits.)

6 THE COURT: Okay. 15 minutes.

7 (Recess taken.)

8 (In open court; jury not present.)

9 THE COURT: We'll have the jury back, please.
10 Wrapping up, right?

11 MS. LISKAMM: Yes. I just have a couple of calls to
12 go through and then I'm done.

13 (Jury enters.)

14 THE COURT: All right. Everyone, be seated.

15 We will continue direct.

16 (Continued on next page.)

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1 BY MS. LISKAMM:

2 Q Okay. We're in the final stretch here. I have a couple
3 of calls I want to talk to you about, Mr. Lopez.

4 A Yes.

5 Q We previously discussed Panchito or Alex Cifuentes. How
6 many times have you talked to him?

7 A On several occasions.

8 Q And were these conversations with Alex over the phone or
9 face to face?

10 A Both.

11 Q And based on these conversations, are you familiar with
12 Alex's voice?

13 A Yes.

14 Q Okay. Do you know who the Flores twins are?

15 A Yes.

16 Q Where do they work?

17 A I met one of them in Chicago, they worked.

18 Q Okay. How many times did you talk to the twins?

19 A Over the phone, two or three times and face to face,
20 once.

21 Q And based on those conversations, are you familiar with
22 what the twins' voices sounded like?

23 A Yes, one of them.

24 Q Okay. And similarly, how many times have you spoken with
25 the defendant?

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1 A Many, many times.

2 Q Okay. And were these conversations face to face or over
3 the phone?

4 A With my *compadre*? Over the phone and face to face as
5 well.

6 Q And based on those conversations, are you familiar with
7 the defendant's voice?

8 A Yes.

9 Q All right. Showing you Government's Exhibit 609-M which
10 is already in evidence, do you recognize this?

11 A Yes, I wrote on it.

12 Q What did you write on it?

13 A My initials and the date on which I wrote on it and I put
14 the names Panchito, Chapo, referring to my *compadre*, and
15 *Cuate*, meaning a twin.

16 Q And what do the three names on this disc signify?

17 A That the three of them participate in the phone call that
18 I listened to.

19 Q Okay. We're now going to play just two very short clips
20 from Government's Exhibit 609-M starting at 6 seconds and
21 going to 19 seconds.

22 (Audio played.) (Audio stopped.)

23 Q And Mr. Lopez, whose voices did you just hear?

24 A I heard my *compadre*'s voice and *Cuate*'s voice.

25 Q Okay. And we're going to play another clip from 609-M

Lopez Nunez - direct - Liskamm

5951

1 starting at 1 minute and 14 seconds.

2 (Audio played.) (Audio stopped.)

3 Q Mr. Lopez, whose voices did you hear?

4 A Panchito and the twins.

5 Q Okay. Now, we previously discussed one of the
6 defendant's nephews who you referred to as Alfredo. How many
7 times have you spoken to him?

8 A Several times.

9 Q And were those conversations face to face or over the
10 phone?

11 A Both.

12 Q Okay. Showing you Government's Exhibit 606-M which is
13 already in evidence, do you recognize this?

14 A Yes.

15 Q And how do you recognize it?

16 A I wrote on the disc.

17 Q And what are these names on the right-hand side of the
18 disc?

19 A Those who participate in the call that I listened to.

20 Q And who did you hear on this call?

21 A My *compadre* and Alfredo, 02.

22 Q And what other name does Alfredo go by?

23 A Panchito used to call Alfredo "Tomas."

24 Q Now, we previously discussed Cholo. How many times have
25 you spoken with Cholo?

Lopez Nunez - direct - Liskamm

5952

1 A On several occasions.

2 Q Same questions. Were these conversations over the phone
3 or face to face?

4 A With Cholo, it was face to face.

5 Q And based on these conversations, are you familiar with
6 Cholo's voice?

7 A Yes.

8 Q Okay. Do you know somebody who goes by the name M-10?

9 A Yes.

10 Q Okay. What name do you know him by?

11 A Mario.

12 Q And who is he?

13 A They also called him Flaco. That person used to work for
14 the Juarez cartel and he tried to come in to work for my
15 *compadre*.

16 Q And how many times have you spoken to him?

17 A I was at several meetings in person that my *compadre* held
18 with him and I heard his voice several times.

19 Q Based on these conversations, are you familiar with
20 M-10's voice?

21 A Yes.

22 Q Okay. And we previously discussed someone named Guano.
23 How many times have you spoken with him?

24 A I was able to greet him several times when he would go
25 visit my *compadre* in the mountains.

Lopez Nunez - direct - Liskamm

5953

1 Q And, again, who was Guano to the defendant?

2 A He's my *compadre*'s brother.

3 Q Okay. Based on the conversations that you had with him,
4 are you familiar with Guano's voice?

5 A Yes.

6 Q Okay. And, lastly, we've talked about Juancho. How many
7 times have you talked to him?

8 A Several times.

9 Q And were these conversations over the phone or face to
10 face?

11 A Both.

12 Q And based on those conversations, are you familiar with
13 his voice?

14 A Yes.

15 Q All right. I'm showing you -- this is for the witness
16 only -- what's been marked as 601-L for identification. Do
17 you recognize this?

18 A Yes.

19 Q What do you recognize this to be?

20 A My initials and the date in which I wrote on it.

21 Q And what do your initials and date signify on this disc?

22 A The day that I listened to this disc with all the phone
23 calls, I wrote on it with that date.

24 (Continued on next page.)

25

Lopez Nunez - direct - Liskamm

5954

1 (Continuing.)

2 MS. LISKAMM: And, again, for the witness only.

3 BY MS. LISKAMM:

4 Q Showing you what's been marked as 601L-8 for
5 identification, do you recognize this?

6 A Yes.

7 Q And what do you recognize this to be?

8 A The calls that were made that I registered on the disc.
9 They are seven phone calls between my compadre and different
10 people.

11 MS. LISKAMM: Okay. At this time, your Honor, the
12 Government seeks to admit Government Exhibit 601L and 601L-8.

13 MR. BALAREZO: No objection.

14 THE COURT: Received.

15 (Government Exhibits 601L and 601L-8 so marked.)

16 (Exhibit published to the jury.)

17 Q Now, Mr. Lopez, there's a number of exhibit numbers down
18 the left-hand side of this sheet.

19 Are those the different subsets of calls that you
20 listened to on this disc?

21 A Yes.

22 Q And there are handwritten notes written down next to each
23 one of those exhibit numbers.

24 What are those? What does that signify?

25 A The people who participated in each of the phone calls.

Lopez Nunez - direct - Liskamm

5955

1 Q So, just going through them one by one, on the first
2 subset of calls, who did you hear on that subset?

3 A My compadre and Cholo.

4 Q On the right-hand side of the page there are numbers with
5 the word "llamadas" next to it.

6 What does that signify?

7 A The number of phone calls that my compadre had with El
8 Cholo, five calls, from the ones -- and I listened to those.

9 Q For all five of these calls, who are the speakers?

10 A My compadre and Cholo.

11 Q And going to the next subset, 601L-2, who did you hear on
12 those calls?

13 A To my compadre and to a staff person for the AFI.

14 Q How many calls did you listen to?

15 A Two calls.

16 Q For the next subset, Government Exhibit 6019L-3, you have
17 an A and a B listed here.

18 What does that signify?

19 A Two calls.

20 Q Who did you hear in the first call?

21 A To my compadre and Guano.

22 Q Is that what you marked with a B?

23 A Yes.

24 Q And who did you hear on Call A?

25 A Guano and an unknown person.

Lopez Nunez - direct - Liskamm

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1 Q And on Government Exhibit 601L-4, were you able to
2 recognize any of the voices on that call?

3 A No, they were unknown to me.

4 Q Moving on to Government Exhibit 601L-5, who did you hear
5 on those calls?

6 A My compadre and Mario, M-10.

7 Q And there were four calls?

8 A Yes.

9 Q Going on to 601L-6, who did you hear on that call?

10 A My compadre and Galacion.

11 Q And who is that?

12 A Galacion is a person from Cosala.

13 Q Did they go by any other name?

14 A Galacion, I don't remember. Gala, Galacion.

15 Q Going on to Government Exhibit 601L-7, whose voices did
16 you hear on those calls?

17 A My compadre and Juancho.

18 Q And how many calls did you listen to where you heard the
19 Defendant and Juancho's voices?

20 A Fifteen calls.

21 Q Okay. Now, we're not going to play all 15 of those
22 calls. We're going to play just a couple of clips from them,
23 and I'll ask you a few follow-up questions.

24 MS. LISKAMM: We're going to start with Government
25 Exhibit 601L-7A, which is already in evidence. We'll be

Lopez Nunez - direct - Liskamm

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1 playing the beginning of the call to a minute 21.

2 (Audio plays; audio stops.)

3 Q Now Mr. Lopez, on the screen there was a transcript
4 playing in front of you.

5 When you saw the initials "JGL," who was speaking?

6 THE INTERPRETER: I'm sorry, I don't see it now.

7 MS. LISKAMM: Do you want me to repeat the question?

8 THE INTERPRETER: No, it's okay.

9 A My compadre.

10 Q When it said "Virgo," who was speaking?

11 A Juancho.

12 Q There is a discussion of someone who they refer to as "La
13 Mesera."

14 Who is that?

15 A Vicente.

16 Q Vicente who?

17 A Zambada.

18 Q There's a reference to someone named "Yayo."

19 Who is that?

20 A Yayo was a person who used to work with Vicente Zambada.

21 Q And the reference to "La Senora" that the Defendant
22 wanted to speak with, who is that person?

23 A Mr. Mayo.

24 Q Generally, what's being discussed in this clip?

25 A A person who was picked up because he was passing on

Lopez Nunez - direct - Liskamm

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1 information about my compadre, about Mayo, and about myself.

2 Q Okay. And who was that person?

3 A Omar.

4 Q Who is Omar?

5 A Omar worked with me. He helped doing errands.

6 Q What happened to Omar?

7 A He was picked up and he was interrogated, and the
8 government was passing on to us accurate information that he
9 was passing around information about us. He was killed.

10 Q Now turning to Government Exhibit 601L-7B, which is
11 already in evidence.

12 MS. LISKAMM: For the record, we're going to play a
13 clip from the beginning of the call to 1 minute 48 seconds,
14 and the transcript will be on the screens in front of you
15 again.

16 (Audio plays; audio stops.)

17 Q Mr. Lopez, what are they discussing here?

18 A About Omar, that there was an intelligence officer from
19 the military, Burrito Mendola. He was the one who was passing
20 on the information about Omar. But besides Omar, there was
21 another person who was involved as well.

22 Q What does that mean?

23 A That it wasn't only Omar who was passing on information
24 but that together with the other person who was also passing
25 on information.

Lopez Nunez - direct - Liskamm

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1 Q You said before that Omar was killed.

2 Did you ever talk to the Defendant about what
3 happened to Omar?

4 A Yes. Omar was killed.

5 Q Who ordered Omar to be killed?

6 A I talked about it with my compadre, and my compadre
7 authorized for that person to be killed.

8 Q Did you relay that order for Omar to be killed?

9 A Yes, yes.

10 Q Now, in the clip that we just played, there was a
11 reference to a Javier.

12 Who is that?

13 A I would like to see it again.

14 Q All right. We'll move on.

15 There was a reference to Felizardo in the clip. Who
16 is that?

17 A Me.

18 Q When you were communicating with the Defendant, what
19 names did you refer to him by?

20 MR. BALAREZO: Objection, asked and answered
21 yesterday.

22 THE COURT: I think so.

23 Q There was a reference to Vicente being gone on the call.

24 What was that a reference to?

25 A That Vicente had been arrested already.

Lopez Nunez - direct - Liskamm

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1 Q There was also reference to Tubo.

2 What is that?

3 A Tubo was the way we referred to El Dorado, the town.

4 MS. LISKAMM: We're going to move ahead to
5 Government Exhibit 601L-7D. It's already in evidence. We're
6 going to play a clip from 204 to 323.

7 (Audio plays; audio stops.)

8 MS. LISKAMM: I apologize. I think we're playing
9 the wrong clip, and that's my fault. We skipped ahead.

10 We'll skip ahead to 601L-7D, 601L-7D, D as in dog.
11 Same timestamps. Thank you.

12 (Audio plays; audio stops.)

13 Q What's being discussed here?

14 A They're talking about Polo.

15 Q Polo who?

16 A Polo Ochoa.

17 That Changel was upset at him because he had skipped
18 him over, meaning that without keeping Changel in mind, he was
19 using some shippers that were friends of Changel's. And
20 Mr. Mayo wanted to defend Polo Ochoa.

21 Q Who was upset with Polo Ochoa?

22 A Changel.

23 Q And there was a reference in there to 100 kilos.

24 What was that a reference to?

25 A Cocaine, surely.

Lopez Nunez - direct - Liskamm

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1 Q Is this the same Polo that we discussed yesterday?

2 A Yes.

3 MS. LISKAMM: Now we're going to play a short clip
4 from the same exhibit, from 526 to 547.

5 (Audio plays; audio stops.)

6 Q What are they discussing here?

7 A That the crossing over of the drugs into the United
8 States was really tough and that's why they were actually
9 selling them at the border. And Juancho was saying he barely
10 gets enough in order to reinvest.

11 MS. LISKAMM: We're going to play one last clip of
12 this call, from 758 to 944.

13 Q Actually, while that's getting set up, one more follow-up
14 question for you, Mr. Lopez. You mentioned before on the
15 previous call that there was somebody named Changel.

16 Who is that?

17 A Changel was Nacho Coronel's nephew.

18 Q What, if anything, did he do for the cartel?

19 A Well, he was under the orders of Nacho Coronel. And once
20 he died, he was then in charge of the plaza in Guadalajara
21 where they had their commitments.

22 MS. LISKAMM: So, now we're going to play that clip
23 from 758.

24 (Audio plays; audio stops.)

25 Q What are they discussing here?

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1 A Juancho was saying that he had personally talked to
2 Marisquero, who is Cesar Gastellum, and Cesar had told him he
3 had been helping my compadre along. They spoke about the fact
4 that Changel was still very upset at Polo, Polo Ochoa, and
5 Changel wanted to kill Polo Ochoa because he had skipped him
6 over in regards to the transportation.

7 And Juancho said that he had talked to Cesar
8 Marisquero about the fact that he had asked Pedrito Loiaza to
9 square things out in Belize when Juancho had already given
10 money to Pedrito Loiaza to do that.

11 Q You said that Cesar had been helping the Defendant a lot.

12 What does that mean?

13 A Well, that's what the conversation said, that Cesar was
14 the one helping my compadre and Mayo crossing over some kilos
15 of cocaine.

16 Q And there's a reference to containers.

17 What does that mean?

18 A Those are chemical precursors used to manufacture
19 synthetic drugs, crystal.

20 Q And where were those coming into?

21 A As far as I understand, they would receive them in
22 Honduras with the intention of bringing them here to Sinaloa.

23 MS. LISKAMM: Last clip, we're going to play from
24 Government Exhibit 601L-7E, which is already in evidence, from
25 the beginning to 1 minute 20 seconds.

Lopez Nunez - direct - Liskamm

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1 (Audio plays; audio stops.)

2 Q And what are they discussing here?

3 A Well, they were talking about equipment. My compadre
4 tells Juancho that the Government friends were saying that the
5 military already had acquired equipment, that by just having
6 the PIN of the BlackBerry they can locate the phone. And that
7 is why we had to be very selective in regards to who the
8 people would be as contacts, meaning that only people who were
9 really trustworthy that we would then have them direct
10 communication.

11

12 (Continued on the following page.)

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Lopez - cross - Balarezo

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1 BY MS. LISKAMM: (Continuing.)

2 Q In the call there's a reference to the term *Zapatones*.

3 What is that?

4 A Military people.

5 Q Okay. There's also a reference to the word "black."

6 What does that mean?

7 A BlackBerry.

8 Q There's also a reference to someone named Alfredo

9 Salazar. Who is that?

10 A Alfredo Salazar was the person who had the Plaza under

11 his control in Sonora.

12 Q And what country does Sonora border?

13 A The United States.

14 Q Okay.

15 MS. LISKAMM: I have no further questions. I wanted
16 to put on the record the second clip I played from Government
17 Exhibit 609-M we played from 1 minute 14 seconds to 1 minute
18 and 43 seconds.

19 THE COURT: Okay, cross-examination.

20 MR. BALAREZO: Thank you, Your Honor.

21 CROSS-EXAMINATION

22 BY MR. BALAREZO:

23 Q Good morning Mr. Lopez.

24 A Good morning, Counsel.

25 Q Mr. Lopez, to start, yesterday when you came you came

Lopez - cross - Balarezo

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1 into the courtroom for the very first time. Do you remember
2 that?

3 A Yes, sir.

4 Q You -- the jury was not in the room yet, right?

5 MS. LISKAMM: Objection.

6 THE COURT: Well, let's have a sidebar.

7 MR. BALAREZO: I'll withdraw the question, Your
8 Honor.

9 BY MR. BALAREZO:

10 Q When you first stood where you are right now, do you
11 remember?

12 A I stood up on several occasions.

13 Q The very first time you came into the courtroom
14 yesterday. You stood right there and you looked at
15 Mr. Guzman. Do you remember that?

16 MS. LISKAMM: Your Honor, could we have a sidebar?

17 THE COURT: Right. Let's have a sidebar

18 (Sidebar held outside of the hearing of the jury.)

19 (Continued on next page.)
20
21
22
23
24
25

Sidebar

5966

1 (The following sidebar took place outside the
2 hearing of the jury.)

3 THE COURT: What did he do?

4 MR. BALAREZO: He gave him the little high sign.

5 THE COURT: He gave him what?

6 MR. BALAREZO: He gave him a little high sign and I
7 wanted to know what it meant.

8 MS. LISKAMM: It wasn't on the record or in front of
9 the jury, Your Honor.

10 THE COURT: He has a good-faith basis to ask that.
11 He saw it.

12 MS. LISKAMM: I did not see it.

13 THE COURT: I did not either, but I don't think
14 Mr. Balarezo would make it up so I'm going to let him ask the
15 question.

16 (Sidebar ends.)

17 (Continued on next page.)

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25

Lopez - cross - Balarezo

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1 BY MR. BALAREZO: (Continuing.)

2 Q When you first came in you looked at Mr. Guzman and you
3 went like this (indicating). Do you remember that?

4 A Yes, sir.

5 Q What did you mean by that?

6 A Because I love him.

7 Q What do you mean you love him?

8 A Well, he's a person -- he's a person with whom I have
9 actually spent many years together and I have a special
10 affection for him.

11 Q And he's a friend of yours?

12 A Yes.

13 Q At least according to you.

14 A Yes.

15 Q I mean, you even baptized one of his daughters; right?

16 A Yes.

17 Q Which is why -- well, that's a Catholic thing, the
18 baptism; right?

19 A Yes.

20 Q I mean, you're his compadre?

21 A Yes, sir.

22 Q And that means you're a co-father to one of his
23 daughters?

24 A I am a godfather to one of his daughters.

25 Q What does it mean to be a godfather to one of his

Lopez - cross - Balarezo

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1 daughters?

2 A That I was her godfather at her baptism.

3 Q It's more than that, because if something happened to him
4 you would be basically like a father to her; right?

5 A I don't know.

6 Q You don't know what that meant? You just went through
7 the motions?

8 A Well, each person has their own life and each person --
9 and each person lives in their own place, but of course if
10 they needed my help I would gladly help.

11 Q In almost every answer you gave in direct examination you
12 called him mi compadre; right?

13 A That's right.

14 Q You didn't call him Chapo or you didn't call him Rapido,
15 you didn't call him apa. You called him mi compadre; every
16 single answer, mi compadre?

17 A That's right.

18 Q And this man that you love so much because you spent so
19 much time with him, this man whose daughter you baptized,
20 you're testifying against him; right?

21 A Yes. The circumstances have placed me in this spot.

22 Q Because when it comes down to it between him and you,
23 it's going to be you; right?

24 A I did not understand that.

25 Q Well, it's your freedom or his and you chose your

Lopez - cross - Balarezo

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1 freedom; right?

2 A No. I chose to think about my family because they have
3 been pretty much left adrift.

4 Q Based on decisions that you have made; not decisions made
5 by Chapo; correct?

6 A I'm here because his sons pretty much placed me here.

7 Q Chapo's son?

8 A Yes, sir.

9 Q The day he sent your son, El Mini Lic, to himself in at
10 the border?

11 A Yes. They sought him out to kill him.

12 Q And where is Mini Lic now?

13 A In the United States.

14 Q He's alive and cooperating with the Government; right?

15 A The important thing is that he's alive.

16 Q And did Chapo make you sign on the dotted line to have a
17 deal with the Government to cooperate?

18 A I didn't really understand that.

19 Q Right. You're here because of the things that you have
20 done and nobody else, right?

21 A For the things that I did together with my compadre.

22 Q All right. You've testified for almost a day; correct?

23 A Yes, sir.

24 Q And I don't know if it's clear to anybody in the
25 courtroom what exactly you've done because all you've done is

Lopez - cross - Balarezo

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1 talked about him.

2 MS. LISKAMM: Objection.

3 THE COURT: Sustained as to form.

4 Q Were you a choir boy?

5 MS. LISKAMM: Objection.

6 THE COURT: Sustained.

7 BY MR. BALAREZO:

8 Q Well, have you committed any crimes? You?

9 A Yes.

10 Q Okay. And you've done -- you've been involved in
11 murders; right?

12 A Yes, sir.

13 Q You've trafficked a large quantity of drugs; correct?

14 A Yes, sir.

15 Q And you did a lot of horrible things that brought you to
16 this courtroom yesterday and today?

17 A I've done bad things.

18 Q And a lot of those bad things had nothing to do with
19 Chapo; right?

20 A Well, in everything my compadre was my boss.

21 Q Patron, so you were nothing but an employee a worker for
22 Chapo. That's what you're telling the jury here today as
23 you're sitting here under oath?

24 A I worked for my compadre.

25 Q And that's your story and you're sticking with it; right?

Lopez - cross - Balarezo

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1 A No.

2 Q Are you going to change it later?

3 A No. I've never changed it and I never will.

4 Q Right. Now, you said yesterday that one of the -- your
5 only obligation under a plea agreement that we'll talk about
6 later was to tell the truth; is that right?

7 A Yes, sir, that's right.

8 Q And of course that's what you told this group of people
9 here today and yesterday?

10 A As many times as is needed I will keep saying it.

11 Q Right, because you're just a lowly employee of Chapo
12 Guzman and the truth shall set you free; correct?

13 MS. LISKAMM: Objection.

14 Q You were an employee of Chapo Guzman; correct?

15 MS. LISKAMM: Objection, asked and answered.

16 THE COURT: Sustained.

17 BY MR. BALAREZO:

18 Q How long were you an employee of Chapo Guzman?

19 A I started to work for my compadre in 2010.

20 Q I'm going to move on for -- you're represented by
21 counsel, aren't you?

22 A Yes, sir.

23 Q An attorney from Washington, D.C.?

24 A I believe that he's from Washington, yes.

25 Q I mean, you've met him, you've talked about it; right?

Lopez - cross - Balarezo

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1 A Yes, sir.

2 Q And one of the reasons you hired that attorney is because
3 that attorney is well-known for handling cooperators like
4 yourself, right?

5 MS. LISKAMM: Objection.

6 THE COURT: Sustained.

7 BY MR. BALAREZO:

8 Q Well, are you cooperating?

9 A I am complying with an agreement, sir.

10 Q Sir, isn't it correct that this attorney who obtained
11 this plea agreement for you has spoken with you -- don't tell
12 me what he said, but he has spoken with you quite often;
13 right?

14 A I have seen him on several occasions.

15 Q And on several occasions that attorney has provided you
16 information on other cases; isn't that right?

17 MS. LISKAMM: Objection.

18 THE COURT: It's vague.

19 BY MR. BALAREZO:

20 Q On some occasions that attorney that you hired that
21 obtained this plea agreement for you has given you information
22 on Chapo Guzman, what's going on with Chapo's case; correct?

23 A No, sir.

24 Q You've never talked to your lawyer about Chapo, is that
25 what you're saying?

Lopez - cross - Balarezo

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1 MS. LISKAMM: Objection.

2 THE COURT: Sustained.

3 BY MR. BALAREZO:

4 Q Now, Mr. Lopez, yesterday you testified that you are --
5 that you went to three years of university and studied law; is
6 that right?

7 A That's correct.

8 Q And so you weren't from a super poor family or a poor
9 family at all. You got to go to university and study
10 somewhat; correct?

11 A Yes, sir.

12 Q And through those studies and then your experiences as an
13 official at the prisons, you know -- you know something, at
14 least a little bit, about how the law works in Mexico;
15 correct?

16 A I know a bit as you're saying.

17 Q For example, you know that in Mexico there are these
18 things called police departments; right?

19 A It's police.

20 Q There's municipal police?

21 A Yes, sir.

22 Q Judicial police?

23 A Ministry police.

24 Q State police?

25 A Correct.

Lopez - cross - Balarezo

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1 Q Federal police?

2 A Yes, sir.

3 Q There's even these elite marine forces?

4 A Yes, sir.

5 Q And obviously through your time in Mexico you know that
6 in Mexico sometimes murders are committed; right?

7 A Yes, sir.

8 Q And I'm not talking about the ones that you may have been
9 involved in or the ones that you said Chapo did. I'm just
10 saying murders in general.

11 A The newspaper reports on many homicides daily.

12 Q And when there's a homicide, say, in Culiacan the police
13 probably respond to the murder scene; right?

14 A That's the procedure.

15 Q Right. And the reason the police arrive at these scenes
16 are because they want to, number one, find out what happened;
17 correct --

18 MS. LISKAMM: Objection.

19 Q -- in your experience?

20 THE COURT: I'll allow it.

21 A I suppose so.

22 Q And they may want to collect evidence of a murder; right?

23 A Most police go and protect the area while the agent for
24 the Public Ministry comes and does its actions.

25 Q So the agent from the Public Ministry does the actions;

Lopez - cross - Balarezo

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1 will draw the little chalk body, collect bullets, talk to
2 witnesses maybe?

3 MS. LISKAMM: Same objection, Your Honor.

4 THE COURT: Sustained.

5 BY MR. BALAREZO:

6 Q Do you think it would be a good idea for Mexican police
7 or the Ministry to take pictures of the bodies on the street?

8 MS. LISKAMM: Objection.

9 THE COURT: Sustained.

10 Q Let's get right to it. Yesterday you talked about
11 several -- several murders that you pinned on Chapo. Do you
12 remember those?

13 A I didn't pin them on him. I just narrated the facts just
14 the way they happened.

15 Q Right. Well, yesterday you talked about a guy named
16 Guacho. Do you know Guacho?

17 A Yes, sir.

18 Q And Guacho, I believe, was the gentleman with the black
19 eye in the video?

20 A Exactly, that's him.

21 Q And the part of the video where he was actually being
22 interrogated was not Chapo Guzman talking; right?

23 A You are right.

24 Q Right, but you did testify that prior to that particular
25 part of the video which isn't recorded Chapo was interrogating

Lopez - cross - Balarezo

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1 Guacho; correct?

2 A Yes, sir, I saw him.

3 Q So this jury has your word that you saw Chapo
4 interrogating Guacho, right? We don't have a video of that;
5 right?

6 A Yes, sir.

7 Q We do have a video or we don't have a video?

8 A I'm not in charge of the videos.

9 Q All I asked you was a simple question. Was there a video
10 or was there not a video of Chapo interrogating Guacho, yes or
11 no?

12 A No one has shown me such a video.

13 Q Including the Government; right?

14 A No one has shown me such a video.

15 Q Now so when you told the jury that after that
16 interrogation and beating that this man Chapo Guzman gave the
17 order to kill Guacho -- that's what you said, right?

18 A Yes, sir, that's correct.

19 Q Did you see the body, the dead body of Guacho?

20 A No, I didn't see him.

21 Q Did anytime -- in all the meetings that you had with the
22 Government, did the Government present you a photo of the dead
23 body of Guacho lying wherever he was lying?

24 A No.

25 Q Did they ever show you a death certificate?

Lopez - cross - Balarezo

5977

1 A No.

2 Q They have those in Mexico; right?

3 A They should have it.

4 Q When somebody dies, the Government wants a record of
5 who's dead; right?

6 A They are legal documents.

7 Q Did you see an autopsy report?

8 A No, that did not depend on me.

9 Q I'm not trying to trick you. I said, did you see,
10 meaning did the Government show you an autopsy of Guacho?

11 A No, sir.

12 Q And you also mentioned another guy Barbarino. Do you
13 remember his name?

14 A Yes, of course. I don't remember his name, but
15 Barbarino.

16 Q I might have missed something but did Chapo order that
17 murder too?

18 A It was Mayo who wanted to have the approval of my
19 compadre. My compadre just said to do what you want.

20 Q Did you see Barbarino get killed?

21 A No. I wasn't a witness on the spot of the facts.

22 Q Did you see his dead body lying on the side of the road
23 or wherever they dumped him?

24 A No. It was reported to me on the radio that Barbarino
25 had been killed and that Mayo told me that he had killed him.

Lopez - cross - Balarezo

5978

1 Q So just like Guacho you have no -- you've seen no
2 particular evidence that can be shown to the jury that
3 Barbarino actually died or was shot or however; right?

4 A No.

5 Q And I think you also mentioned Negro?

6 A You are right.

7 Q I'm right about what?

8 A That Negro was discussed as well.

9 Q And was Negro killed as well?

10 A Yes, sir.

11 Q On whose orders?

12 A My compadre -- Mayo did the murder and my compadre
13 organized it for him.

14 Q We have a third murder in which Chapo is involved
15 somehow, but yet we have no body; is that right?

16 A I believe that the corpse was in the news.

17 Q Wrapped up, you mean or, like, published in the papers?

18 A Published.

19 Q Did you tell these people that the body was in the
20 newspapers?

21 A No, I don't remember having mentioned that.

22 Q So, again, third dead person with no real proof that they
23 were even killed; right?

24 A I never saw proof as you're saying.

25 (Continued on the following page.)

Lopez Nunez - cross - Balarezo

5979

1 BY MR. BALAREZO: (Continuing)

2 Q Right. Because all you're saying is you heard on the
3 radio somebody said this and that and the next thing, you're
4 testifying under oath that this man gave you the order to
5 kill, is that right?

6 A Yes, sir.

7 Q So your word is what the jury should rely on?

8 A No, I'm only telling the truth.

9 Q Right. Let's talk about that truth.

10 Yesterday, you talked about a guy named Polo Ochoa.
11 Do you remember that name?

12 A I do remember, yes.

13 Q And I believe if my memory serves me right that that's
14 another murder that you put on Chapo, right?

15 A I didn't put it on him. I just narrated the facts as
16 they happened.

17 Q You were just there and you heard everything and you're
18 here to tell us, is that accurate?

19 A I was in Culiacan when those things happened.

20 Q And what you said, if I'm correct, was that Chapo found
21 out that Cesar Gastelum and Polo Ochoa had some contacts with
22 the U.S. Government or the government, is that right?

23 A Exactly.

24 Q And the reason that Chapo ordered that murder according
25 to you was he felt betrayed by Polo Ochoa?

Lopez Nunez - cross - Balarezo

5980

1 A Yes, sir.

2 Q Now, you've met with the government, with these
3 prosecutors and agents many, many times, is that right?

4 A On several occasions, you're right.

5 Q And isn't it true that -- well, strike that.

6 During one of those meetings, you were asked about
7 Paul Ochoa's murder, is that right?

8 A Yes.

9 Q And, in fact, you, do you recall telling the government
10 that Polo, Polo Ochoa was killed in Culiacan? Do you remember
11 telling them that?

12 A Yes.

13 Q And you also recalled telling the government that there
14 was a rumor that Chapo's people called Polo Ochoa?

15 A Not a rumor exactly. There was information as to that
16 having happened.

17 Q And you recall also telling the government that you were
18 not certain of the information that you were providing to the
19 government?

20 Do you remember that? Yes or no.

21 A I have been clear of what I have given information on.

22 Q Do you recall, yes or no, telling the government that it
23 was a rumor?

24 Do you recall or do you not recall? Do you recall
25 or do you not recall?

Lopez Nunez - cross - Balarezo

5981

1 A I never said it was a rumor.

2 Q And what about did you recall telling the government that
3 you were not certain of the information that you were
4 providing?

5 A No, I was never uncertain. My *compadre* informed me. Why
6 would I be uncertain? Not informed me. Told me.

7 (Continued on next page.)

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Sidebar

5982

1 MS. LISKAMM: Your Honor, can we have a sidebar?

2 THE COURT: Yes. Okay.

3 (The following occurred at sidebar.)

4 THE COURT: Can I see the report?

5 (Pause.)

6 THE COURT: Okay. So what is your objection?

7 MS. LISKAMM: The objection is that he said that he
8 didn't say it. This is not -- this is improper refreshing
9 recollection.

10 MR. BALAREZO: No, it's impeachment.

11 THE COURT: It's not his statement.

12 MS. LISKAMM: This is not his statement.

13 Your Honor was very clear at the beginning of the
14 trial on that.

15 THE COURT: That is the proper evidentiary rule so
16 no, you can't use it. If he said, "No, I don't remember," you
17 can refresh him but he was very clear, "I did not say that."

18 MR. BALAREZO: Well prepped. Thank you. Thank you.

19 (End of sidebar conference.)

20 (Continued on next page.)

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CMH

OCR

RMR

CRR

FCRR

Lopez Nunez - cross - Balarezo

5983

1 BY MR. BALAREZO:

2 Q Mr. Lopez, with respect to any of these other murders
3 that you have testified that Mr. Guzman was involved in,
4 again, no physical evidence of the murder, correct?

5 MS. LISKAMM: Objection.

6 THE COURT: Is there an objection?

7 MS. LISKAMM: Yes, Your Honor.

8 THE COURT: Sustained.

9 Q With respect to any of the other murders that you have
10 talked about that Mr. Guzman supposedly ordered or
11 committed --

12 MR. BALAREZO: That break is for you to translate.

13 Q -- have any of these people shown you any pictures of any
14 of those victims?

15 A No.

16 Q And I don't want to repeat it but autopsy? Anything?

17 Nothing, right?

18 A I did say no.

19 Q So, yesterday, you testified that, that at some point,
20 you were a, an official at the Puente Grande prison, right?

21 A Yes, sir.

22 Q And what exactly was your position there? I kind of
23 missed that.

24 A The deputy director of security and custody.

25 Q And what exactly was your responsibility?

Lopez Nunez - cross - Balarezo

5984

1 A Of the internal security within the prison.

2 Q Did that include the custody of the inmates?

3 A Yes, sir.

4 Q And how long were you at Puente Grande in that capacity
5 before you met your *compadre*?

6 A Well, when I got to that prison, my *compadre* was already
7 there.

8 Q And how long was it after you got to the prison that you
9 had any contact with *compadre*?

10 A I don't know, maybe a month, maybe less.

11 Q So is it accurate to say that when you took that job at
12 the prison, you had to take some kind of an oath?

13 A No. No. There's no oath there.

14 Q You didn't have to promise to uphold the law of the
15 United States of Mexico?

16 A When you start a job within the government, that is not
17 something that's stipulated. The system is different from the
18 one here.

19 Q Is that why it's so corrupt?

20 MS. LISKAMM: Objection.

21 THE COURT: Sustained.

22 Q Well, you had a job to do and your job involved taking
23 security of inmates and the security of the prison, right?

24 A The internal security of the prison.

25 Q And isn't it correct that Puente Grande was or is --

Lopez Nunez - cross - Balarezo

5985

1 strike that -- at the time was a high security prison?

2 A Currently, it is.

3 Q What was it back then, low security?

4 A Well, currently, it is a maximum security prison. It's
5 always been.

6 Q So the record is clear, at the time that you worked
7 there, was it a high security prison? Yes or no.

8 A Yes, sir.

9 Q Meaning that's the highest level of security in a Mexican
10 prison, right?

11 A Yes, it was maximum security.

12 Q They had perimeter walls, high walls, barbed wire?

13 A The construction was maximum security.

14 Q I get that but I'm asking some specific questions. Was
15 there like a wall around the whole thing?

16 A There's one in every single jail.

17 Q Including Puente Grande?

18 A Yes, sir.

19 Q And there are towers with guards at the top?

20 A Yes, there are, but that was, that was not within my own
21 responsibilities. That was something that was handled by the
22 deputy director from the external section.

23 Q I'm not asking about your duties. I'm asking the prison
24 in general. I'm not trying to trick you.

25 A Don't worry. I do understand.

Lopez Nunez - cross - Balarezo

5986

1 Q Okay. So were there towers with guards?

2 A When I would get to the prison, I would see that there
3 were towers.

4 Q And is it accurate to say that those guards were probably
5 armed?

6 A Yes, they were armed.

7 Q And inside the facility, where you were in charge, there
8 were guards also, correct?

9 A Yes, sir.

10 Q There was a lot of doors that you would have to go
11 through in order to walk out without permission, let's say?

12 A You are right.

13 Q And even they had some mean dogs walking around, right?

14 A Not in that place.

15 Q No dogs at Puente Grande?

16 A No, not within, inside the prison.

17 Q Now, at some point though after you met Chapo, you said
18 that he had asked for your help for visits, is that correct?

19 A Yes, sir.

20 Q And those were all visits with his ex-wives, Griselda and
21 Alejandrina?

22 A Just with Griselda.

23 Q And what he wanted to do was to get one in without
24 upsetting the other, was that accurate?

25 A That I do not know of.

Lopez Nunez - cross - Balarezo

5987

1 Q Well, what was it that you said about the wife?

2 A That he wanted Mrs. Griselda to come in.

3 Q And why did he have to go to you to get that?

4 A Because if the interdisciplinary technical council of the
5 precinct had to approve it, my *compadre* would then have to
6 remove Ms. Alejandrina off of the list so he can add
7 Ms. Griselda.

8 Q So he would have to drop one wife in order to let the
9 other one in, is that it?

10 A That was the legal paperwork that was required, yes.

11 Q Did that happen?

12 A No.

13 Q You made it so that both wives could visit him, right?

14 A Well, no. I just only helped so that Mrs. Griselda can
15 go in. When I got to work to that prison, my *compadre* was
16 already being visited by Mrs. Alejandrina.

17 Q Was there anything wrong with that then? I mean, what's
18 the big deal?

19 A I really don't understand your question.

20 Q Is what you did against the rules?

21 A Absolutely.

22 Q And you agreed to do it, right?

23 A That's right.

24 Q And Chapo never threatened you, did he?

25 A He never, he never threatened me, you are right.

Lopez Nunez - cross - Balarezo

5988

1 Q So you decided, what, you're just going to sell out your
2 office, your position, to get this man's wife in?

3 A No, I didn't sell out, you know, an office or a position.
4 I just decided to help do a favor for my *compadre*.

5 Q And there was another incident you said that he asked for
6 your help in bringing in a phone so he can check e-mails, is
7 that correct?

8 A For a phone to come in, yes.

9 Q And yesterday, you said so he can check his e-mails?

10 A That's not how I said it.

11 Q Well, how did you say it yesterday?

12 A I said that my *compadre* could use that phone to check
13 e-mails. He never told me that he had done it.

14 Q What year was that?

15 A That was in 2000, either '99 or 2000.

16 Q So what you're telling the jury is that Chapo had a
17 smartphone before they even came out?

18 A I don't know when they came out. I'm only telling you
19 what my *compadre* said.

20 Q And your recollection of that conversation is accurate
21 and it's the truth, right?

22 A It's just what I remember. It is the, my truth of what I
23 remember.

24 Q And given that those are just two small examples of the
25 favors, let's say, you did for your *compadre*, you did other

Lopez Nunez - cross - Balarezo

5989

1 things, right?

2 A Yes, sir.

3 Q I mean, you said you got \$10,000 one time?

4 A He gave me \$10,000 and he would also support me when I
5 needed it. He would also give me money.

6 Q And he also gave you a house worth a million and a half
7 pesos?

8 A He gifted me a house and indeed that was the value of
9 that house. And it was because of my, of the attorney, not
10 because of my decision, he sold it.

11 Q And so these were gifts, right?

12 A Yes, it was a gift.

13 Q Not bribes?

14 A It could be misinterpreted or it could be interpreted in
15 such a way.

16 Q Well, what is that a misinterpret of an inmate paying an
17 official at the prison money for favors?

18 A No, everything is clear.

19 Q So what's clear? Tell me.

20 A That he gifted me the house.

21 Q Obviously, it was a bribe, right? Just come out and say
22 it, it was a bribe.

23 A Well, I accepted -- without me knowing about the house, I
24 accepted helping my *compadre* and the house was a gift that
25 came afterwards.

Lopez Nunez - cross - Balarezo

5990

1 Q Right. And from your experience working there and just
2 being Mexican, it's common for prison guards to be bribed,
3 right?

4 A Unfortunately, customs in Mexico, corruption is part of
5 it not only for guards but also for civilians as well.

6 Q But you only took the gifts. I'm just trying to keep it
7 all straight.

8 MS. LISKAMM: Objection.

9 THE COURT: Sustained.

10 Q Now, you know that when Chapo was at Puente Grande back
11 in 1993 until 2001 -- well, strike that.

12 That's a time that he was detained at Puente Grande,
13 is that right, '93 to 2001?

14 A I got to work there in '99 and my *compadre* was already in
15 jail there.

16 Q And you know why he was there, right? Yes or no.

17 A No.

18 Q You didn't know that he was there for the murder of
19 Cardinal Ocampo?

20 MS. LISKAMM: Objection.

21 THE COURT: Overruled.

22 A I know that my *compadre* was in jail and I know that my
23 responsibility was to watch out for the jail. All the legal
24 issues, that was part of the court.

25 Q Not a legal issue. I'm just asking. You knew why he was

Lopez Nunez - cross - Balarezo

5991

1 locked up for seven years in that prison?

2 MS. LISKAMM: Objection. Asked and answered.

3 THE COURT: Sustained.

4 Q You never bothered to look at the records?

5 MS. LISKAMM: Objection.

6 THE COURT: You can probe a little bit. Overruled.

7 A The legal aspect is handled very separately from
8 security.

9 Q And all these things that you talked about with Chapo,
10 you never asked him: Hey, why were you locked up in the
11 prison where I was the official of so and so?

12 A I might have talked to him about it but I don't remember.

13 (Continued on next page.)

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1 Q And you do know though that he did not kill the Cardinal,
2 right?

3 MS. LISKAMM: Objection.

4 THE COURT: Let's have a side bar, please.

5 In fact, let's have lunch.

6 MR. BALAREZO: Even better.

7 THE COURT: We will take lunch, ladies and
8 gentlemen. Please come back at 1:40. Do not discuss the case
9 amongst yourselves.

10 (Jury exits.)

11 THE COURT: All right. Have a seat, please.

12 The marshals can take the witness out.

13 (Witness steps down and exits.)

14 THE COURT: Please correct me if I am wrong, but my
15 understanding is no one is contending that the defendant
16 conspired to kill the Cardinal, right?

17 MS. LISKAMM: That's correct, Your Honor.

18 THE COURT: The government does not say that.

19 MS. LISKAMM: Correct, Your Honor.

20 THE COURT: And the defense does not say that
21 certainly.

22 So what is the objection when he says to him he
23 didn't kill the Cardinal?

24 MS. LISKAMM: Your Honor, I'll withdraw the
25 objection. I don't think that this is --

1 THE COURT: We took too early a lunch.

2 MS. LISKAMM: I apologize. I didn't think the way
3 the question was being phrased was accurate. He said he
4 didn't know why the defendant was in jail. Quite honestly,
5 that should be the end of it.

6 THE COURT: Okay, but the problem is the defense has
7 a concern, I think, that despite the fact that the government
8 is not trying to prove responsibility for the death of the
9 Cardinal on this defendant, the facts are jumbled up enough
10 and there was some initial blame at the time that the jury
11 might get confused so they have been emphasizing with most of
12 the witnesses, You know he didn't kill the Cardinal, even
13 though that is an undisputed facts between the parties.

14 (Continued on next page.)
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Proceedings

5994

1 (Continuing.)

2 MS. LISKAMM: Your Honor, I would just submit that
3 the Government has not put forth any evidence that the
4 Defendant was responsible for that murder. If anything,
5 that's come out through the defense case. I don't really see
6 the relevance with respect to this witness.

7 THE COURT: Okay. It could go to his credibility
8 about how much he professes to know, so that's why I'm
9 allowing it on that. And I'm allowing the question "he didn't
10 kill the Cardinal" to make sure the jury doesn't get confused
11 about that either.

12 MS. LISKAMM: Understood, your Honor. I would just
13 point out that the witness testified that he first came into
14 contact with this defendant in 1989, well after the Cardinal's
15 murder.

16 THE COURT: Right. But there was some notoriety at
17 that point, so it's possible that when this witness says, I
18 don't know what he was there for, that's something that the
19 Defendant can probe and see if that's an honest answer.

20 MS. LISKAMM: Understood, your Honor. I just don't
21 see the relevance but obviously defer to the Court.

22 THE COURT: See you at 1:30.

23

24 (Luncheon recess taken.)

25

Lopez Nunez - cross - Balarezo

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AFTERNOON SESSION

1:40 p.m.

THE COURT: Let's have the jury, please.

(Jury enters.)

THE COURT: All right. Everyone be seated.

Mr. Balarezo, you may proceed.

DAMASO LOPEZ NUNEZ,

called as a witness, having been previously duly

sworn, was examined and testified as follows:

CROSS-EXAMINATION

BY MR. BALAREZO:

Q Mr. Lopez, before we broke for lunch, we were talking about I had asked you if you knew why Chapo was in prison at Puente Grande; do you remember those questions?

A He was in jail when I arrived, yes, sir.

Q My question was, simply, do you remember the questions?

A Yes, I do.

Q So, before you went to work at Puente Grande, however, you had heard that Cardinal Ocampo had been murdered in Guadalajara, correct?

A Yes, it was public, in the news.

Q So, you were aware of the murder of the Cardinal in '93.

A Most Mexicans found out.

Q And as most Mexicans found out, you also probably saw Chapo Guzman's face all over the news, wanted for the murder

Lopez Nunez - cross - Balarezo

5996

1 of the Cardinal, right?

2 A Yes, sir.

3 Q And lo and behold, when you arrive at Puente Grande,
4 there's Chapo Guzman in prison, right?

5 A He was in jail there, yes, sir.

6 Q And given that you were a -- in charge of the internal
7 security of the prison, you're telling this jury under oath
8 that you had no idea why Chapo Guzman was locked up at Puente
9 Grande at that time?

10 A Yes, exactly.

11 Q And you're also telling the jury although you had become
12 very close to Mr. Guzman, you accepted multiple gifts from
13 Mr. Guzman, you baptized one of his daughters, you never knew
14 why he was in Puente Grande. That's what you're telling this
15 jury under oath today.

16 A Yes, I said under oath that my compadre had an
17 extradition, so most certainly, he had an indictment from the
18 United States. And all the legal questions and all the
19 indictments against my compadre, I had no access to that.

20 Q But at some point, Mr. Guzman decided that he didn't want
21 to be your guest anymore and he left Puente Grande, right?

22 A I no longer worked there when he escaped.

23 Q Well, Puente Grande, as you said, was a high security
24 prison, yes?

25 A Yes.

Lopez Nunez - cross - Balarezo

5997

1 Q Yesterday, you testified that Chapo later told you that
2 the escape was a spontaneous thing, right?

3 A Yes, a decision that he had made because of the
4 extradition.

5 Q Thank you for mentioning the extradition several times,
6 but just answer my question.

7 Yesterday, you testified that the decision that he
8 made to escape from the jail was spontaneous. You didn't say
9 anything about the extradition, you didn't say anything about
10 anything else. You said spontaneous decision to escape.

11 MS. LISKAMM: Objection, mischaracterizes his
12 testimony.

13 THE COURT: Sustained as to form.

14 MR. BALAREZO: Should I break it up?

15 THE COURT: It will be better. I don't know if it
16 will be right.

17 Q Let me break it down so you understand me.

18 Yesterday, as you sat here under oath, you testified
19 to these people right here that Chapo at some point after the
20 escape mentioned to you that the escape was spontaneous; is
21 that correct, yes or no?

22 A I don't recall exactly that I used the term
23 "spontaneous."

24 Q To your knowledge, was the escape planned for a long
25 time?

Lopez Nunez - cross - Balarezo

5998

1 A No.

2 Q There were no meetings with his sons, correct, to plan
3 the escape?

4 A Not that I know of.

5 Q You don't know about any meetings with Alejandrina or
6 Griselda at the time, do you?

7 A I don't know.

8 Q You don't know about buying any properties a mile away
9 from the prison?

10 A Just to clarify, are you referring to Puente Grande
11 prison?

12 Q Yes.

13 A Not that I know of.

14 Q You didn't hear anything about tunnels to get out of
15 Puente Grande, right?

16 A No, sir.

17 Q You didn't hear anything about the little motorcycle in
18 the tunnel and then people waiting with airplanes to get him
19 out of there, did you?

20 A Puente Grande? No, sir.

21 Q And that's what we're talking about. What you said
22 yesterday was that there was this guy Chito who just happened
23 to be working in the laundry that day and you said that he
24 happened to just carry Mr. Guzman out in a laundry cart,
25 correct?

Lopez Nunez - cross - Balarezo

5999

1 A That's what my compadre told me and that's what I said.

2 Q That Chito pushed him out in the laundry cart from the
3 prison, correct?

4 A Yes, sir.

5 Q Let me show you Defense Exhibit 492, demonstrative.

6 (Exhibit published to the jury.)

7 MS. LISKAMM: Objection, your Honor.

8 THE COURT: Sustained, sustained.

9 MR. BALAREZO: It's a demonstrative.

10 THE COURT: What is it demonstrating?

11 MR. BALAREZO: I'm sorry?

12 THE COURT: The objection is sustained.

13 Q Chito was a jail employee.

14 A He was an employee of the jail and he belonged to general
15 services division.

16 Q He was Mexican?

17 A Yes, he probably was.

18 THE COURT: Mr. Balarezo, you have to wait for the
19 answer to finish.

20 MR. BALAREZO: I apologize.

21 Q What was your answer? Sorry.

22 A He was certainly Mexican.

23 Q He had a mustache?

24 A No, I don't remember.

25 Q So, in this particular instance in 2001, all that it took

Lopez Nunez - cross - Balarezo

6000

1 for Chapo to get out of Puente Grande Prison was to hop in a
2 little laundry cart and get pushed out by Chito and he's free,
3 right?

4 A That's what my compadre told me.

5 Q And that was, in part, because Chapo Guzman was such a
6 powerful drug trafficker that he could say, Hey, Chito, put me
7 in that cart and get me out of here, right?

8 MS. LISKAMM: Objection.

9 THE COURT: Sustained.

10 Q Chapo told you all about the escape, right?

11 A He told me about the escape.

12 Q He didn't tell you that he threatened Chito, did he?

13 A No.

14 Q He didn't tell you that he had paid Chito, right?

15 A No, no, I don't remember.

16 Q In fact, Chapo was so concerned because 40, 50 other jail
17 guards had been arrested for the escape, right?

18 A Yes, sir.

19 Q Now, yesterday, you also testified that as part of your
20 responsibilities, that all of the doors in the prison were
21 controlled by your people, your guards, right?

22 A Yes, sir.

23 Q So, that means that if Damaso Lopez Nunez said, Hey,
24 Guard No. 1, open the doors, they would open the doors,
25 correct?

Lopez Nunez - cross - Balarezo

6001

1 A If I were to give the order, yes.

2 Q But, of course, you're telling this jury that you weren't
3 even working at the prison at the time of the escape, right?

4 A And I'm not lying. That is the truth.

5 Q I know, I know.

6 But during all your meetings with the prosecutors,
7 did you tell them that you had left the prison before the
8 escape?

9 A Yes, sir.

10 Q Do you know if the Government prosecutors, agents,
11 contacted their counterparts in Mexico and requested your
12 employment records from the prison?

13 A I don't know.

14 Q And, of course, they didn't show them to you, right?

15 A I don't know that.

16 Q So, what you're telling the jury is that you have nothing
17 to do with the escape but you could give the order and all the
18 doors would be open; is that accurate?

19 MS. LISKAMM: Objection.

20 THE COURT: I'll allow an answer.

21 A We are not speaking about escape. Opening a door could
22 be for anything.

23 Q Let me say this: When he went out in that little laundry
24 cart, did he have to go through some gates, some doors?

25 A Yes, he certainly went through several doors.

Lopez Nunez - cross - Balarezo

6002

1 Q And these are the same doors that you could give the
2 order to open, right?

3 MS. LISKAMM: Objection, asked and answered.

4 THE COURT: Sustained.

5 Q So, at some point yesterday, you also testified that you
6 were having problems getting a job after the escape; is that
7 right?

8 A That's correct.

9 Q And that's because the media in Mexico had connected you
10 to the escape.

11 That's what you said, yes?

12 A At first, I did not get a job. And then later, yes,
13 because of the media publishing the news, that did not help.

14 Q And the news that the media was publishing was that you
15 helped Chapo escape, an official at the prison helped Chapo
16 escape, yes?

17 A Yes, sir.

18 Q And the newspapers were saying it and it was all over the
19 TVs that you were helping him escape or had helped him escape?

20 A That's what the media said.

21 Q And according to you, that's not true because you didn't
22 help him.

23 A I did not.

24 Q So, all the media reports, on the TV, the newspapers, all
25 these things were wrong, correct?

Lopez Nunez - cross - Balarezo

6003

1 A Yes, sir. They are fake.

2 Q I hate to say it, like fake news, right?

3 A I did not take part.

4 Q But you do know from your experience in Mexico that the
5 media sometimes is corrupt in Mexico also, correct?

6 A I don't know that.

7 Q In your whole career drug trafficking, you've never paid
8 off some media to write a story that either hurts your rivals
9 or helps you?

10 A No.

11 Q In any event, the newspapers and the media in Mexico got
12 it wrong, right, about you?

13 MS. LISKAMM: Objection, asked and answered.

14 THE COURT: Sustained.

15 Q And you know that sometimes stories are published just to
16 sell papers, correct?

17 A Yes, I'm certain of that, very certain of that.

18 Q Sometimes they publish stories to sensationalize what
19 people have done, correct?

20 A That could be the case.

21 Q And when they sensationalize these things, they make
22 people look bigger than they really are, right?

23 A That could be.

24 Q Now, how long did you spend in the drug trafficking
25 world?

Lopez Nunez - cross - Balarezo

6004

1 Was it from 2001 until your arrest?

2 A Yes, sir.

3 Q But you told this jury today that you never personally
4 killed anybody, right?

5 A Yes, sir.

6 Q And that's just 'cause what, you're a nice guy and have a
7 thing against murder? What?

8 MS. LISKAMM: Objection.

9 THE COURT: Sustained.

10 Q You said you didn't personally kill somebody.

11 Do you have a moral problem with killing somebody?

12 A It isn't my habit.

13 Q So, it is your habit, though, to transmit orders to kill
14 somebody? That's fine in your world?

15 A That happened in some cases.

16 Q That's not what I'm asking.

17 I'm asking you, you don't have a problem
18 transmitting the orders to kill, do you?

19 MS. LISKAMM: Objection, asked and answered.

20 THE COURT: Sustained.

21 MR. BALAREZO: Your Honor, respectfully, I don't
22 think the answer was given to the question, but I will move
23 on.

24 THE COURT: Hang on. Stay there one minute.

25 It was effectively answered. It's kind of a

Lopez Nunez - cross - Balarezo

6005

1 argumentative question.

2 MR. BALAREZO: Can I get a readback, your Honor?

3 THE COURT: Question, You say you didn't personally
4 kill anybody. Do you have a moral problem with killing
5 somebody?

6 Answer, It isn't my habit.

7 Question, So, is it your habit, though, to transmit
8 orders to kill somebody? That's fine in your world?

9 Answer, That happened in some cases.

10 MR. BALAREZO: I'll take it. Thank you.

11 Q It also was fine in your moral universe to order
12 kidnappings of people, correct?

13 A Yes. In drug trafficking, that tends to happen.

14 Q It tends to happen, but when you kidnap people, it's not
15 just that you take them off the street and take them to
16 dinner, right?

17 A They're picked up and that's it.

18 Q You pick them up because they've done something against
19 your business, you, or your son, right, your family?

20 A When it has happened, there's always a reason.

21 Q Right. And the reason is they did something you didn't
22 like.

23 You pick them up and then you do something to the
24 person you picked up, right?

25 A When it's happened, as I said before, there's always a

Lopez Nunez - cross - Balarezo

6006

1 reason.

2 Q For example, you testified that Chapo had Juancho picked
3 up, right, as you called it?

4 A Yes.

5 Q And you told the jury that when Juancho was picked up, he
6 was beaten?

7 A I don't remember having said that.

8 Q Do you know how he got that black eye in the video?

9 A He showed signs of having been beaten, but I didn't say
10 that he was beaten.

11 Q And then you said that he was killed after that, correct?

12 A Yes.

13 Q But the people that you have picked up aren't beaten.

14 A There are times when it's necessary, but not always.

15 Q Why is it so hard for you to admit it?

16 MS. LISKAMM: Objection.

17 Q You've had people beaten, haven't you?

18 THE COURT: Sustained.

19 Q Have you had people beaten that were picked up?

20 MS. LISKAMM: Objection, asked and answered.

21 THE COURT: That's not the objection. Overruled.

22 A I don't remember.

23 Q And, of course, you don't remember having any of those
24 people that were picked up killed, right?

25 MS. LISKAMM: Objection.

Lopez Nunez - cross - Balarezo

6007

1 THE COURT: Sustained.

2 Q Were any of those people that you had picked up killed;
3 do you remember, yes or no?

4 A Yes, sir.

5 Q Now, in the entire time that you've been involved in
6 narco trafficking in Mexico, you know that drugs come through
7 Mexico, correct?

8 A Yes, sir.

9 Q And some, obviously, go to the United States, yes?

10 A Yes.

11 Q But you also know that the United States is not the only
12 market for drugs; is that right?

13 A Yes, there are other countries.

14 Q Not just other countries, you have all of Europe. They
15 deal with cocaine, don't they?

16 A When I said "other countries," I'm referring to other
17 countries, including those in Europe.

18 Q And you're aware that cocaine, in particular from Mexico,
19 does get shipped to Europe, correct?

20 A I don't remember that.

21 Q Have you ever done drugs?

22 A Sent to Europe? No.

23 Q Have you ever done drugs?

24 A Never.

25 Q Just because your memory is a little faulty, I'm asking.

Lopez Nunez - cross - Balarezo

6008

1 MS. LISKAMM: Objection.

2 THE COURT: We talked about that.

3 MR. BALAREZO: Withdrawn.

4 Q You don't remember in your 17 years of drug trafficking
5 whether any cocaine was sent to Europe.

6 Is that what you're telling this jury here under
7 oath today?

8 A I said that I didn't send any.

9

10 (Continued on the following page.)

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Lopez - cross - Balarezo

6009

1 BY MR. BALAREZO: (Continuing.)

2 Q Listen to my question very closely if you can. You said
3 you worked with Chapo Guzman for 17 years, however long it
4 was, right; correct?

5 A Yes, quite a few years, yes.

6 Q And you were very close to him?

7 A Way too close.

8 Q I don't know if I should go there, but --

9 You've told this jury though that you knew all about
10 his business, you could tell about murders, drugs, submarines,
11 all kinds of things; right?

12 A What I had participated in and what I knew about that's
13 what I talked about. Things I didn't know about I didn't make
14 it up.

15 Q Right. So Chapo told you about some things that you did
16 not participate in, is that accurate?

17 A Exactly.

18 Q And that's some of the things that you've testified to
19 this jury about, things you did not see, you did not hear but
20 you claim that Chapo told you about them; right?

21 A Yes, I'm just saying that my compadre told me about that.

22 Q Are you aware from your conversations with your compadre
23 whether your compadre ever sent marijuana to Canada?

24 A I don't know about marijuana. Cocaine he did.

25 Q Okay. So you didn't you did hear about Europe, but you

Lopez - cross - Balarezo

6010

1 did hear about Canada?

2 A For. For Europe my compadre asked me to pay rent for
3 some warehouses but he did not tell me that he was sending
4 drugs there.

5 Q Let's take a look at Government Exhibit 806.1 which is in
6 evidence. You went over this particular section of this
7 letter with the Government on direct; right?

8 A Yes, sir.

9 Q And you see that highlighted part in yellow where it
10 says, "I invested everything I sent to Canada from Enrique's
11 brothers"; correct?

12 A Yes, sir.

13 Q And what's he talking about there, drugs or, like,
14 puppies? What's he talking about?

15 A Drugs.

16 Q And I think it's clear, but how do you interpret that:
17 "I sent everything to Canada," right? He sent it to Canada;
18 correct? He, he sent it to Canada.

19 A My compadre sent it to Canada.

20 Q Not to the United States?

21 A Yes, that's -- it's very clear there it's to Canada.

22 Q If you can leave it up, I have another page.

23 MS. LISKAMM: Your Honor, if we could take the slide
24 down.

25 THE COURT: Yes.

Lopez - cross - Balarezo

6011

1 MR. BALAREZO: I apologize.

2 BY MR. BALAREZO:

3 Q The same exhibit. I will ask you a couple of questions.

4 I believe that you testified that in this particular letter

5 Chapo asked you to speak to somebody else and get a

6 recommendation for a collector; correct?

7 A Yes, to look for a person to pick up that merchandise.

8 Q Well, when was this letter written? When did you get it?

9 Do you remember?

10 A It was received, like, in March or April more or less,

11 approximately. It could have been May. It was one of those

12 three months approximately.

13 Q Of last year?

14 A 2014.

15 Q So in 2014 around sometime in the spring he sends you

16 this letter. He's detained at the time; right?

17 A Yes, sir.

18 Q And a collector you said is somebody you would hire in

19 order to go collect a debt or recover drugs; right?

20 A My compadre knows a person that I don't know only via

21 communications.

22 Q You already testified that Chapo Guzman was the leader of

23 the Sinaloa Cartel; right?

24 A Yes.

25 Q Very powerful man; right?

Lopez - cross - Balarezo

6012

1 A Yes, him and Mr. Zambada.

2 Q Right, right, right. And he also controlled --
3 basically, Culiacan was his town; right?

4 A Yes, he controlled Culiacan.

5 Q He had *sicarios*, he had *pistoleros*?

6 A Yes, sir.

7 Q But here he is asking his compadre for a recommendation
8 for a collector?

9 A I don't quite understand your question.

10 Q Well, the letter says, "Compadre" -- that's you; correct?

11 A Yes.

12 Q "Do me a favor and talk to Pollito"; correct?

13 A Yes, sir.

14 Q So just so we're clear he's asking you for a favor that
15 you speak to Pollito; right? Just answer yes or no, sir.

16 A Because under the orders of my compadre, I was the one
17 who always had communication with Pollito.

18 Q Let's stick with the letter for right now. Can we do
19 that?

20 MS. LISKAMM: Objection.

21 THE COURT: Overruled.

22 A Of course we can.

23 Q And the next line says, "Tell him I say hi," right?
24 Nothing offensive or threatening with that, is there?

25 A That's the way I see it too.

Lopez - cross - Balarezo

6013

1 Q And then it says basically, tell Pollito to please
2 recommend a collector. That's what Chapo says to you, his
3 compadre; correct?

4 A Yes, sir.

5 Q So my question simply to you is, the head of the Sinaloa
6 Cartel is asking Pollito for a recommendation for a collector,
7 yes or no?

8 A That's correct, but we're talking about different
9 countries.

10 Q Yes or no?

11 THE COURT: Here is the thing: If the question he
12 is asking you can be reasonably answered yes or no, then
13 answer it I don't remember. If you think it cannot reasonably
14 be answered yes or no, then tell him you cannot reasonably
15 answer the question yes or no.

16 THE WITNESS: Yes, sir, thank you.

17 THE COURT: Let's go again.

18 BY MR. BALAREZO:

19 Q I show you now slide number 14 where you've testified
20 that Chapo was telling you to remember to pay Callo's and
21 Conta's rent in Europe; correct?

22 A That's correct.

23 Q And that was rent for what, a warehouse or something like
24 that?

25 A I suppose it was.

Lopez - cross - Balarezo

6014

1 Q So you don't know what it's for; right?

2 A I didn't know, no.

3 Q And do you know why they're paying rent in Europe?

4 A No, no I don't know.

5 Q When you were shown this particular clip by the
6 Government you testified without any hesitation; right?

7 A I interpreted in my own way, as I understood it.

8 Q You interpreted it as you understood it; right?

9 A Yes, sir.

10 Q Without any real knowledge; correct?

11 A I did have knowledge because I had spoken to la diputada.

12 Q And you remember those conversations?

13 A Yes, sir.

14 MR. BALAREZO: May I have just one second, Your
15 Honor?

16 Q Slide 25 from the same exhibit. Do you remember this
17 particular segment?

18 A It's in English if you can tell me.

19 Q The interpreter can tell you.

20 MR. BALAREZO: Read the highlighted portion.

21 A Yes, sir.

22 Q I'm sorry, I should have done it myself. "He also has 50
23 bullets of 40 and 5 like the ones Negro gave Cosina as a
24 gift."

25 A Yes.

Lopez - cross - Balarezo

6015

1 Q And I think I missed it, but according to you is Chapo
2 talking about bullets?

3 A About drugs and about bullets.

4 Q What's 50 bullets? Is that bullets or is that drugs?

5 A Can you repeat that again?

6 THE INTERPRETER: For the interpreter.

7 Q "He also has 50 bullets of 40 and 5 like the ones Negro
8 gave Cosina as a gift."

9 A 50 are bullets, that's right.

10 Q And how about "5 like the ones Negro gave Cosina"?

11 A They are RPG 7.

12 Q Which is what?

13 A They are larger bullets that are shot with a pipe over
14 your shoulder.

15 Q So what you're telling us is that this man, Chapo Guzman,
16 the head of the Sinaloa Cartel went right to his compadres to
17 discuss 50 bullets and 5 bullets; is that what you're really
18 telling us?

19 A That's what the letter says.

20 Q And then the other part which says, "Ricon has 322 and
21 443 bullets of 40 and 13 bullets like the ones my Compadre
22 Negro gave Cosina as a gift."

23 A Yes, sir.

24 Q Are those bullets?

25 A That's what I understand.

Lopez - cross - Balarezo

6016

1 Q Not drugs; right?

2 A There it's clear that they're bullets.

3 Q So in Sinaloa do you buy bullets, like, one by one?

4 A If they are sold one by one, you buy one by one. If they
5 are sold ten at a time and you can get them, then you buy
6 them.

7 Q So Chapo Guzman, the leader of the Sinaloa Cartel who has
8 waged war against Alfredo Beltran-Leyva, against Vicente
9 Carillo-Fuentes, against the Zetas and against half of Mexico,
10 you're saying he's is talking about individual bullets?

11 A The letter is saying that those are bullets that were
12 bought in Ecuador, not in Sinaloa.

13 Q Right, so this guy is not buying, you know, 50 AK-47s at
14 a time, rocket propelled grenades at a time. He's not buying
15 them from Texas; he's buying individual bullets in Sinaloa?

16 A I will say it again, the letter doesn't say in Sinaloa.
17 It says in Ecuador.

18 Q So he has to go outside of Mexico to Ecuador, South
19 America, to buy bullets one by one? I'm just trying to
20 understand.

21 A He doesn't need to. He can do it over the phone.

22 Q Did he put the order through you too, like the murder
23 orders?

24 A No, sir. I found out about that through the letters.

25 Q Let me show you slide number 29 which is in evidence. Do

Lopez - cross - Balarezo

6017

1 you see that one?

2 A Yes.

3 Q Line 82, "Apart from that, the company in Europe needs to
4 get running."

5 A Yes, that's what the letter says.

6 Q Do you know what company that is in Europe?

7 A No, I never found out.

8 Q There wasn't a drug trafficking company in Europe?

9 A I don't know whether my compadre was sending drugs there.

10 Q Briefly, you -- you spoke a lot about --

11 Now I want to move into the future for a little bit.

12 You testified about various meetings that you had with family
13 members of Chapo after 2015. Do you remember that?

14 A Yes, sir.

15 Q I'm talking about the escape, quote-unquote, for the
16 tunnel?

17 A Yes, sir.

18 Q Well, you said that prior to that escape there was some
19 meetings with Emma, is that right, your comadre; correct?

20 A That's correct.

21 Q And what you said is that Emma met with you to discuss a
22 plan to escape from the Almoloya prison; is that right?

23 A What I said was that my comadre brought to me a message
24 from my compadre.

25 Q Right. The message was that he wanted to escape; right?

Lopez - cross - Balarezo

6018

1 A Exactly.

2 Q And what you said is that Emma was involved in planning
3 it; right?

4 A No. I said that she brought to me a message from my
5 compadre.

6 Q Were his sons involved in planning it?

7 A Whose sons?

8 Q Compadre.

9 A Yes, sir.

10 Q And that plan involved buying a plot of land about a mile
11 away from the prison; right?

12 A A plot of land near the prison, yes, sir.

13 Q And eventually, as you became aware of it, you knew the
14 plan involved the building of a tunnel from that location of
15 that lot to the prison; right?

16 A Yes, sir.

17 Q Do you recall how long that took to do, to dig that
18 tunnel?

19 A No, I never knew, not even about one shovel of earth that
20 was removed from there. His sons were doing that directly.

21 Q It was just Mexicans digging with a shovel in a tunnel?
22 How was it done? Do you have any information about it?

23 A No, but to excavate a hole you need shovels. You have to
24 do. You have to excavate.

25 Q So this is another one of those things that you just

Lopez - cross - Balarezo

6019

1 heard about; right?

2 A I heard them from his sons.

3 Q And given that Chapo Guzman at the time of this escape
4 from Almoloya, was he still the leader of the Sinaloa Cartel?

5 A To me he was and that's how it seemed.

6 THE COURT: Excuse me, Mr. Balarezo.

7 Ladies and gentlemen, almost all of you are paying
8 very close attention. Ladies and gentlemen, almost all of you
9 are paying very close attention. Would you please look over
10 to me. Thank you.

11 You may continue.

12 MR. BALAREZO: I'm hurt, Your Honor.

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14 (Continued on the following page.)

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Lopez Nunez - cross - Balarezo

6020

1 BY MR. BALAREZO: (Continuing)

2 Q So at the time of this tunnel is made, you said he's a
3 leader to you, right?

4 A Yes, sir.

5 Q And he again was still a very powerful man, right?

6 A Yes, sir.

7 Q He writes you letters about businesses in Europe?

8 A He sent letters and there was something there about
9 businesses in Europe.

10 Q And he sent you letters about 13 bullets?

11 A There was some narration there about several things that
12 he spoke about in the letters, among them, the bullets.

13 Q Did you ever talk to him about why he didn't just go out
14 in a laundry cart?

15 A No, we never spoke about that later.

16 Q You know, it would have been really easy for this cartel
17 leader to just, you know, pay somebody \$1 million, get in a
18 cart and go out the door, right?

19 A But he decided to do it some other way.

20 Q Right, to go down the tunnel, take a motorcycle, run out,
21 take an airplane, I mean, it's pretty spectacular, right?

22 A It is very real.

23 Q And you've been in that tunnel?

24 A No.

25 Q You weren't involved in the planning?

Lopez Nunez - cross - Balarezo

6021

1 A Yes, but I did not, I did not see the tunnel.

2 Q You didn't drive the motorcycle to get him out?

3 A Not me.

4 Q You saw it in the newspaper and you saw it on TV, right?

5 A Who?

6 Q About the escape.

7 A Oh, I did have the opportunity to see it in the media but
8 I also had the chance to hear it from my *compadre*.

9 Q Right. But as you've already said, the media in Mexico
10 makes things up, right?

11 A That's, that's what you said.

12 Q You agree?

13 A No.

14 THE COURT: Let's go on.

15 MR. BALAREZO: I'm sorry?

16 THE COURT: Go on to something else.

17 MR. BALAREZO: I am, Your Honor, moving along.

18 Q Yesterday, you testified, you testified about -- strike
19 that.

20 You testified that initially when you started
21 working for Chapo, your job was to find properties. Do you
22 remember that?

23 A That's how, that's how I started, yes, sir.

24 Q And at some point, your job became to handle
25 communications on the drug business, is that right?

Lopez Nunez - cross - Balarezo

6022

1 A Yes, sir.

2 Q So according to you, for, since 2001, whenever you say
3 you started working for Chapo, you've been an employee of
4 Chapo, correct?

5 A That's what I always considered myself.

6 Q You were nobody in the drug business, right?

7 A I don't think so.

8 Q You were a nobody?

9 A I don't think so.

10 Q You were more than a nobody?

11 A I was close to my *compadre* and that made me appear big.

12 Q So because you were close to this man, that made you
13 bigger, that's what you're saying?

14 A I became big in the drug business with him.

15 Q So if you were, if you were close to Mayo Zambada, you
16 will be big too, right?

17 A Certainly, I would.

18 Q And of course you know that Chapo was close to Mayo,
19 correct?

20 A Yes, sir.

21 Q Now, you were arrested in -- well, strike that.

22 You were played some recordings today where you
23 identified some individuals that were talking. Do you
24 remember that?

25 A Yes, sir.

Lopez Nunez - cross - Balarezo

6023

1 Q And on one of the particular calls you were played, you
2 identified someone named Panchito?

3 A Yes, sir.

4 Q And you also identified someone or some ones, if that's a
5 word, the twins?

6 A One of them.

7 Q And you said that you had talked or spoken to the twins
8 two or three times by phone and met one or both of them once,
9 is that correct?

10 A I said that I spoke to one of them and I saw one of them
11 on one occasion.

12 Q Which one is the one that you personally saw?

13 A I don't know.

14 Q Just a twin?

15 A They look alike. Excuse me?

16 Q So you don't know who you talked to, whether you talked
17 to one twin or the other twin?

18 A But I spoke to one of them.

19 Q I'm asking you do you know which one you spoke to?

20 A No, I don't remember his name.

21 Q Did you speak to twin number one or did you speak to twin
22 number two?

23 A Yes.

24 Q Better? Or worse?

25 Well, which one did you speak to?

Lopez Nunez - cross - Balarezo

6024

1 A I can assure you that the voice belonged to one of them,
2 but I can't tell you which one of them.

3 Q So as you testify here today, you have no idea who you
4 met, right?

5 A I know that he was one of a pair of twins.

6 Q But you come here and testify in front of this jury and
7 say, I spoke to the twin, right?

8 A And that's what I did.

9 Q Do you know their names?

10 A No.

11 Q And, of course, when you were played that phone call
12 where supposedly it was Chapo and a twin's voice, you don't
13 know which twin it was, right?

14 A You are right.

15 Q So you were asked who, who did you hear and you said, Oh,
16 I hear Chapo, right?

17 A Yes, I did.

18 Q And the other one you heard was a twin?

19 A The twin.

20 Q But you can't tell the jury who you talked to?

21 A Yes, sir, I cannot tell them who of the two of them.

22 Q And where you stand, it really doesn't matter who you
23 talk to, does it?

24 MS. LISKAMM: Objection.

25 THE COURT: Sustained.

Lopez Nunez - cross - Balarezo

6025

1 Q Well, you're testifying under oath, right, and this jury
2 has to take your word?

3 A I am telling the truth.

4 Q Not what I asked. Do you want me to repeat the question?

5 A Please.

6 Q When you're testifying here under oath and you tell the
7 jury, I spoke to the twin, you don't even know what twin
8 you're talking about?

9 A Yes, that's the case.

10 Q And all you've got to do is testify the way you do and,
11 hopefully, you'll get your reduction letter, right?

12 A Only to tell the truth.

13 Q In those calls that you were, you were played, you
14 identified Chapo a couple of times, is that right?

15 A Yes, sir.

16 Q What if that was Mayo's voice and that you said it was
17 Chapo, how would the jury know?

18 A That is your problem.

19 Q Right.

20 A I am only, I am only identifying voices and saying what I
21 see, what I hear.

22 Q So you don't know which twin's voice it is, you don't
23 know which twin you spoke with, but these people have to
24 believe that that's Chapo's voice that you heard, right?

25 MS. LISKAMM: Objection.

Lopez Nunez - cross - Balarezo

6026

1 THE COURT: Sustained.

2 Q They should believe you because you're telling the truth?

3 A I don't know whether they should believe me. All I can
4 tell them is that I am telling them the truth.

5 Q Now, you were arrested in May of 2017, is that correct?

6 A Yes, sir, on the 12th.

7 Q And that was a few months after *compadre* was extradited
8 to the United States, is that correct?

9 A Yes, that's right.

10 Q And, in fact, you were arrested in your luxury 11th floor
11 apartment in Mexico City, is that right?

12 A It's not very luxurious but it is an apartment in Mexico
13 City.

14 Q Semi luxurious? What?

15 A Maybe it's insignificant. An apartment.

16 Q Well, you weren't arrested like in a little mud hut in
17 the mountains of Sinaloa, were you?

18 A You are right.

19 Q And you've been to Cabo San Lucas, haven't you?

20 A No, sir.

21 Q Well, have you ever been to the beaches in Mexico?

22 A Yes, in Mazatlan.

23 Q And you didn't have a beach house in Mazatlan, did you?

24 A I did have a house.

25 Q And do you know the house that was raided where police

Lopez Nunez - cross - Balarezo

6027

1 say Chapo was there, do you know what I'm talking about, in
2 Cabo San Lucas?

3 A Yes, about an operation in which the federal police tried
4 to arrest my *compadre*.

5 Q All right. Chapo didn't own that house, right?

6 A According to me, no.

7 Q Somebody rented it or a friend, maybe Mayo, lent it to
8 him?

9 A I don't know who lent it to him.

10 Q Now, when you were arrested -- well, strike that.

11 Before your arrest, you had already been in contact
12 with an American lawyer, is that right?

13 A You are right.

14 Q And the reason you were in contact with that American
15 lawyer was because you wanted that American lawyer to contact
16 the United States government to try to find a resolution to
17 your problems, correct?

18 A That was in 2014. It was because my *compadre* indicated
19 for me to do that.

20 Q Right. And you had actually given information to that
21 lawyer to give to the government, right, trying to help
22 yourself out?

23 A False.

24 Q Why was that lawyer in contact with the government?

25 A Which lawyer are you talking about?

Lopez Nunez - cross - Balarezo

6028

1 Q The one I've been asking you about, sir.

2 A Which one?

3 Q Well, you tell me. What was his name, the American
4 lawyer?

5 A I don't remember his name. It was a lawyer that was
6 brought to Culiacan by my *compadre*'s sons.

7 Q So, once again, this is a very important moment for you;
8 you're trying to make contact with the government to help
9 yourself out and you can't even remember the lawyer's name?

10 A As I said before, that was, that meeting happened because
11 of the petition from my *compadre* so his four sons and me and
12 my son could meet together with the lawyer and come to some
13 kind of approach to the government in the U.S. That was in
14 2014. In 2016, I sought out a lawyer separately once my
15 *compadre* had been arrested.

16 MR. BALAREZO: Your Honor, can I have one second?
17 I'm trying to find a document.

18 (Pause.)

19 Q Let's play a little question and answer. So I'm going to
20 ask you some questions. Tell me if these things are true or
21 not or -- strike that. Tell me if you remember these things
22 or not.

23 A Just like true or false?

24 Q "I remember." "I don't remember."

25 A Okay.

Lopez Nunez - cross - Balarezo

6029

1 Q Now, you've spent several hours testifying about how you
2 were an employee of Chapo Guzman, right?

3 A Yes, sir.

4 Q Do you recall ever, in one of your many meetings with the
5 government, telling the government that you did not work for
6 Chapo? I recall or not recall.

7 A I don't recall.

8 (Continued on next page.)

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CMH

OCR

RMR

CRR

FCRR

Sidebar

6030

1 MS. LISKAMM: Can we have a sidebar?

2 THE COURT: Yes, I agree it is an improper question.
3 It is an improper question. It is a good approach but --

4 MR. BALAREZO: I'm trying to shake it up a little
5 bit. All right.

6 Q You heard my question, right?

7 THE COURT: You've got to give him three options:
8 He recalls, he doesn't recall --

9 MR. BALAREZO: Your Honor, if we could go to the
10 sidebar.

11 THE COURT: Yes. We can do it at sidebar.
12 (The following occurred at sidebar.)

13 THE COURT: A cross-examiner can ask "yes" or "no"
14 questions, but he cannot ask "I don't remember" or "I do
15 remember" questions. Those are different things. You can't
16 do that.

17 MR. BALAREZO: I just didn't want you to give him
18 any ideas.

19 THE COURT: Give him the hint, but you are going to
20 have to give him the hint if you are going to do this. You
21 cannot lock him into "I don't remember" or "I do remember" as
22 his only two options because there may be another option.

23 MR. BALAREZO: I found out about that earlier.

24 MS. LISKAMM: And can we just make sure that's
25 clarified before you start asking questions?

Sidebar

6031

1 MR. BALAREZO: I will restart my question.

2 MS. LISKAMM: Thank you.

3 THE COURT: Thank you.

4 (End of sidebar conference.)

5 (Continued on next page.)

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Lopez Nunez - cross - Balarezo

6032

1 BY MR. BALAREZO:

2 Q Mr. Lopez you've had many meetings with the government,
3 correct?

4 A Yes, sir.

5 Q And you've discussed many things, correct?

6 A Yes, sir.

7 Q In particular, you've been asked a lot of things about
8 your *compadre* Chapo, correct?

9 A About my *compadre* and many other things.

10 Q Just keep it focused now. *Compadre*?

11 A Yes, sir.

12 Q And do you recall that the government asked you whether
13 or not you worked for Chapo?

14 MS. LISKAMM: Same objection.

15 THE COURT: Did the government ask you that?

16 THE WITNESS: I was very clear in what I would say
17 to the government. I don't think there was a need for them to
18 ask me about it.

19 Q Well, in the things that you were very clear to the
20 government about, do you recall telling the government that
21 you did not work with Chapo?

22 MS. LISKAMM: Same objection.

23 THE COURT: I am going to overrule the objection.

24 A No, I never said that.

25 Q Are you sure?

Lopez Nunez - cross - Balarezo

6033

1 MS. LISKAMM: Objection.

2 THE COURT: Sustained.

3 Q Do you recall telling the government that you were just
4 an intermediary?

5 MS. LISKAMM: Same objection.

6 THE COURT: Overruled.

7 A There was a time in which I was an intermediary but then
8 my responsibilities grew.

9 Q And do you recall that as part of your employment with
10 *Compadre* Chapo, that you actually had a salary?

11 A At the beginning, it was that way.

12 Q Well, didn't you tell the government that you or do you
13 recall telling the government that you were receiving a salary
14 of 20,000 pesos a month?

15 A At the beginning when I was getting houses, yes, sir.

16 Q And how much is 20,000 pesos a month?

17 A 20,000 pesos.

18 Q Touche. How much is that in dollars, if you know?

19 A I don't have a conversion tool here.

20 Q Is a Mexican dollar about 13 -- excuse me -- a U.S.
21 dollar about 13 Mexican pesos?

22 A No, I don't know. I've been in prison for a year and
23 eight months. I don't know what the exchange rate is like.

24 Q Well, you were a drug trafficker, correct?

25 A Yes.

Lopez Nunez - cross - Balarezo

6034

1 Q You probably were paid for your drugs in U.S. dollars,
2 correct?

3 A Yes, sir.

4 Q And the last time you received U.S. dollars for your
5 drugs, how much was a dollar worth? I'm sure you know.

6 MS. LISKAMM: Objection.

7 THE COURT: Sustained as to form.

8 Q How much was a U.S. dollar worth in pesos?

9 A When I was arrested, the dollar was worth -- 17 Mexican
10 pesos would buy you one dollar.

11 Q And that was in 2017, to make it clear?

12 A Yes, sir.

13 Q Now, during these meetings with the government also, do
14 you recall telling the government that the most powerful drug
15 traffickers were Cesar Gastelum and Leopoldo Ochoa, Polo
16 Ochoa?

17 A The ones who moved a large amount of drugs, that's right,
18 Polo Ochoa and Cesar.

19 Q And that was during the time when Chapo Guzman was still
20 free, right?

21 A Yes, sir.

22 Q And do you also recall telling the government that Mayo
23 Zambada was the strongest trafficker?

24 A I don't remember. A trafficker that's out, yes.

25 (Continued on next page.)

Lopez Nunez - cross - Balarezo

6035

1 BY MR. BALAREZO (Continuing):

2 Q Show you Defense Exhibit 494, 3500-DLN-6.

3 MS. LISKAMM: Your Honor, he answered the question.

4 MR. BALAREZO: He did not recall.

5 THE COURT: That's not what I thought -- he did
6 answer the question.

7 MR. BALAREZO: I don't think I want a readback,
8 then, on that. Fair enough, your Honor.

9 Q Now, I mean, basically what you're telling the jury is
10 you were just an employee and you were doing Chapo's bidding,
11 correct?

12 A I always obeyed my compadre's orders.

13 Q That's not really true because you've actually told the
14 Government that you were in charge of narcomenudeo
15 N-A-R-C-O-M-E-N-U-D-E-O.

16 A Under the orders of my compadre, I had some places, yes.

17 Q And narcomenudeo brought street level drugs in Mexico,
18 right?

19 A Yes, sir.

20 Q And that's a very profitable business, is it not?

21 A Yes, that's right.

22 Q In fact, a lot of drugs that come in from Colombia, they
23 are sold in Culiacan and Mexico and other places; is that
24 right?

25 A In Culiacan, drug is sold retail, narcomenudeo.

Lopez Nunez - cross - Balarezo

6036

1 Q And in other cities in Mexico too, right?

2 A I know it goes on in La Paz as well, but I don't know
3 about other places.

4 Q You do know it because you told the Government you ran
5 narcomenudeo Mazatlan; do you remember that?

6 A Yes, coordinating with my compadre's sons.

7 Q And you also told them that you were in charge of
8 narcomenudeo in Los Mochis; do you remember that?

9 A Yes.

10 I was there for almost a year, and then I handed the
11 city over to someone else under the orders of my compadre.

12 THE COURT: Mr. Balarezo, is it a good time?

13 MR. BALAREZO: We can take a break now.

14 THE COURT: We'll take 15 minutes, ladies and
15 gentlemen. Please come back at 3:25. Remember, don't talk
16 about the case amongst yourselves.

17 (Jury exits.)

18 THE COURT: The marshals can take the witness out.
19 Today?

20 MR. BALAREZO: Yes.

21 THE COURT: Government ready to go next?

22 MS. PARLOVECCHIO: Yes, your Honor.

23 THE COURT: 3:25.

24 (Recess taken.)

25 THE COURT: Please bring in the jury.

Lopez Nunez - cross - Balarezo

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1 (Jury enters.)

2 THE COURT: Everyone be seated.

3 Mr. Balarezo, you may continue.

4 BY MR. BALAREZO:

5 Q Mr. Lopez, I'm going to direct your attention to a
6 meeting that you had on May 3, 2017 with various agents of the
7 United States Government in Mexico City; do you remember that
8 meeting?

9 A Yes, sir.

10 Q And that was -- was that the day of your arrest?

11 A It was the second, the arrest was on the second.

12 Q So, this meeting that I'm talking about was the day after
13 your arrest, correct?

14 A Yes, sir.

15 Q And you spent quite a bit of time speaking with these
16 agents at that point, right?

17 A I don't remember. I wasn't wearing a watch.

18 Q Fair enough.

19 Do you remember, though, that those agents asked you
20 about that 20,000 peso salary?

21 Do you remember them asking you in general, yes or
22 no?

23 A No, I don't remember that well. I was very confused
24 because of my arrest.

25 Q And do you recall, though, that they also asked you how

Lopez Nunez - cross - Balarezo

6038

1 was it if you were only making 20,000 pesos a month that you
2 maintained your lifestyle?

3 Do you remember that question, yes or no?

4 A No, I don't.

5 Q And do you recall that when they asked you about the
6 salary, you said that you received income from narcomenudeo
7 activities, which are local street sales, as you said?

8 Don't answer. I'm going to continue.

9 And then do you recall stating that you controlled
10 narcomenudeo activities for one-half of the city of Mazatlan,
11 Sinaloa, and that provided you an income of two million pesos
12 a week?

13 A I don't recall whether I said it, but that is, in fact,
14 the case, meaning that did happen.

15 Q And do you recall that you also told them that it was
16 Chapo's sons that controlled the other half of the
17 narcomenudeo activities in Mazatlan?

18 A As I said, I don't recall that well what I told them, but
19 that is, in fact, the case, meaning my compadre's sons
20 controlled half of Mazatlan, the other half of the city.

21 Q Do you remember you told them you controlled the areas of
22 Costa Rico, Villa Juarez, Carrizo, El Fuerte, La Cruz,
23 Navolato, and the northern region, as well as everything
24 around the town of Los Mochis, Sinaloa, Mexico?

25 A I don't recall having tell them that, but I did control

Lopez Nunez - cross - Balarezo

6039

1 all those places. And the city of Los Mochis, it was for
2 about a year or so.

3 Q Let me show you Defense Exhibit 494, which is 3500-DLN-6.

4 MS. LISKAMM: Your Honor, can we have a sidebar?

5 THE COURT: What do you need refreshed?

6 He says it's true.

7 MR. BALAREZO: Not the first two, your Honor.

8 That's what I'm refreshing him on.

9 MS. LISKAMM: That's not correct.

10 THE COURT: Let's talk at sidebar.

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12 (Continued on the following page.)

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Sidebar

6040

1 (The following occurred at sidebar.)

2 THE COURT: Just tell me what you think he didn't
3 answer yes to.

4 MR. BALAREZO: I asked him four things. One was
5 whether or not he was receiving 20,000 pesos a month salary
6 from Chapo.

7 THE COURT: He said yes.

8 MR. BALAREZO: I don't remember him saying that.

9 THE COURT: I'm looking at it.
10 Then two million, he said yes.

11 MR. BALAREZO: And controlling the areas, he said
12 yes.

13 THE COURT: Yes.

14 He didn't give you the 20,000. I think he will.
15 But he did give you --

16 MR. BALAREZO: The other ones.

17 THE COURT: He gave you all the other ones. The
18 two million from street sales, that's all mine.

19 MR. BALAREZO: I can live with that.

20 MS. LISKAMM: If I could clarify for the record, he
21 said he was getting paid \$20,000 before the break.

22 THE COURT: He just said he didn't remember if he
23 said that.

24 MR. BALAREZO: That's fine. Thank you.
25

Sidebar

6041

(Continued on the following page.)

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Lopez Nunez - cross - Balarezo

6042

1 (Sidebar ends; in open court.)

2 BY MR. BALAREZO:

3 Q Mr. Lopez, when you say you were just an employee of
4 Chapo, though, that's not correct because you had your own
5 business, right?

6 A On my compadre's instructions, I took charge of those
7 places.

8 Q Let me ask you this: When you told the Government on
9 May 3, 2017, when you were telling them about how you
10 controlled these areas and how you were making two million
11 pesos a week, do you remember telling them that you were doing
12 this on behalf of Chapo?

13 A I don't recall that well what I spoke to them, to tell
14 you the truth.

15 Q Let me show you Defense Exhibit 494, 3500-DLN-6T, Page 14
16 of 23. And I just ask you if the interpreter could read for
17 you Paragraph 62 until here.

18 MS. LISKAMM: Your Honor, same objection.

19 THE COURT: He's not disputing the fact.

20 MR. BALAREZO: He doesn't recall what I just asked
21 him.

22 THE COURT: He doesn't recall telling it to the
23 agents, he doesn't recall whether he told it to the agents,
24 but he's is not disputing the fact.

25 MR. BALAREZO: I'm trying to refresh his

Lopez Nunez - cross - Balarezo

6043

1 recollection that he didn't tell the agents.

2 THE COURT: What is the significance as to whether
3 he told the agents or not?

4 MR. BALAREZO: I'll move on.

5 Q So, you didn't tell the agents that day when you met with
6 them that it was Chapo who was your boss, right?

7 A I don't remember.

8 Does the document have my signature on it?

9 Q I don't know. I can't show you.

10 THE COURT: You have to allow counsel to ask the
11 questions.

12 THE WITNESS: Thank you.

13 Q Given that you were with Chapo and that sort of made you
14 a big person, you were considered -- you would consider
15 yourself a high level drug trafficker, correct?

16 A A high level drug trafficker is he who traffics drugs in
17 a big scale. I didn't do that.

18 Q Never?

19 A Those quantities, large scale, no.

20 I did it in low quantities.

21 Q Did you ever have hundreds of men reporting directly to
22 you?

23 A Yes, sir, in 2016.

24 Q And, in fact, out of these hundreds of men who were
25 reporting directly to you, you had sicarios and pistoleros; is

Lopez Nunez - cross - Balarezo

6044

1 that correct?

2 A That's correct.

3 Q And you needed these guys, these pistoleros and sicarios
4 these hitmen because they were basically your private little
5 army; is that correct?

6 A I needed them in 2016, when my compadre's sons was
7 seeking out me and my family to kill us.

8 Q I'm not talking about the compadre's sons, I'm talking
9 about you right now.

10 A I had to mention my compadre's sons to give you the
11 example.

12 Q Thanks for the example, but Chapo was not the one who was
13 trying to kill you in 2016, was he?

14 A But it was my compadre's sons. I trust my compadre.

15 Q Does he trust you?

16 A Not his sons.

17 Q Does he trust you?

18 A I don't know. Ask him.

19 Q I have.

20 A What has he told you?

21 Q Should he trust you?

22 THE COURT: Let's have a question, please.

23 Q Should he trust you?

24 MS. LISKAMM: Objection, asked and answered.

25 THE COURT: It hasn't been answered.

Lopez Nunez - cross - Balarezo

6045

1 Q Aside from this little army of pistoleros you had, you
2 had uniforms made up for them, right?

3 A No, I did not give those orders. I don't like that.

4 Some gunman on his own, he ordered those made for
5 his personal use.

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7 (Continued on the following page.)

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Lopez - cross - Balarezo

6046

1 BY MR. BALAREZO: (Continued.)

2 Q And the gun man that ordered this made for his personal
3 use named it the *Fuerzas Especiales de Damaso*, right, the
4 Special Forces of Damaso; correct?

5 A I don't know for what reason but he worked with me but I
6 did not give instructions for those to be made.

7 Q And of course whoever made this, this patch just
8 contravened your desires; you didn't have him killed, you
9 didn't have him picked up?

10 MS. LISKAMM: Objection.

11 THE COURT: Overruled.

12 A The Navy took care of that.

13 Q What was the name of the guy who made that patch?

14 A David Lopez.

15 Q And where is David Lopez now?

16 A In his tomb.

17 Q But you had nothing to do with that; correct?

18 A With what? His death?

19 Q With him being in a tomb?

20 A No, but my Compadre's son did, sons did.

21 Q Because you have a moral problem with killing people. So
22 it's Chapo's sons that killed him; correct?

23 A I'm not speaking about moral problems. I'm speaking
24 about the truth.

25 Q Tell me the truth here: In all the time that you've been

Lopez - cross - Balarezo

6047

1 in Mexico when you were Chapo's employee, did you ever see him
2 or talk to him about the sum of \$100 million, yes or no?

3 A 100 million of what?

4 Q United States dollars.

5 A No, I never did.

6 Q That's a lot of money, isn't it?

7 A Yes, it is a lot of money.

8 Q Even for a leader of a cartel; right?

9 A For anyone.

10 Q And as you sit here today testifying under oath, you have
11 no information whatsoever about a bribe that Mr. Guzman paid
12 to a politician of \$100 million, do you?

13 A No, I haven't heard that.

14 Q Now, we've talked about many meetings that you've had
15 with the Government prior to your testimony. During these
16 times as we've said, they've asked you a lot of things; right?

17 A You are saying, well, many things.

18 Q And in particular they were asking you things you knew
19 about other people but they were also asking things that you
20 had done; is that right?

21 A They asked me everything they wanted.

22 Q I asked you simply, they asked you about things that they
23 believe that you had done; yes or no?

24 A Yes.

25 Q And you understand from the many meetings that you had

Lopez - cross - Balarezo

6048

1 about all of these questions that they asked you or when they
2 asked you if you had done certain things, they were based on
3 information that they had gotten from other cooperators;
4 correct?

5 A I don't know how they obtained their information but in
6 fact they did ask me about many things.

7 Q Well you're a cooperator and you've told the Government
8 many things; correct?

9 A I signed an agreement and I'm talking. I'm complying
10 with my agreement.

11 Q You were asked by the Government -- you were told that
12 they had information that he had shipped methamphetamine to
13 the United States; correct?

14 A They did ask me many things. I think they also asked me
15 that.

16 Q And you denied it; right?

17 A I only told the truth. I don't remember what I said, but
18 I did tell the truth.

19 Q You were asked -- you were told that they had information
20 that you had tried to kill Chapo Guzman's sons, do you
21 remember that?

22 A Yes, they did tell me that.

23 Q And of course you denied that; correct?

24 A Because obviously that's false.

25 Q And you were also told that they had information that you

Lopez - cross - Balarezo

6049

1 had been trafficking in heroin; correct?

2 A And that is true.

3 Q And you were also told that they had information that you
4 had ordered the killing of various Carrillo Fuentes associates
5 in 2015, do you remember that?

6 A No, I don't remember that.

7 Q Well, did you order those killings?

8 A No.

9 Q So you denied that, right, at least here?

10 A That's not true.

11 Q And they also told you that they had information that you
12 attempted to kill a police chief in Baja, California, a guy by
13 the name of Luis Alejandro Osorio?

14 A Yes, they also told me that.

15 Q And you denied that; correct?

16 A Yes, because it's false.

17 Q And they also told you that they had information that you
18 were responsible for the murder of this person Bravo that
19 we've talked about Manuel Aponte Gomez; correct?

20 A That I had processed an order for Bravo's execution, yes,
21 I did do that.

22 Q So that one is true?

23 A I passed on the order.

24 Q Are you responsible for that murder?

25 A There's a much bigger person who's responsible for that.

Lopez - cross - Balarezo

6050

1 Q Let me guess, Chapo?

2 A You are a magician.

3 Q They also told you that they had information that you
4 were involved in the murder of a journalist by the name of
5 Javier Valdez Cardenas; correct?

6 A Yes, a very well-known and famous journalist from
7 Sinaloa.

8 Q And this well-known, famous journalist from Sinaloa was a
9 famous founder of a newspaper called Rio Doce; correct?

10 A I don't know if he was the founder but he did write for
11 that paper.

12 Q Right. And let me show you defense Exhibit 497-B. What
13 do you recognize that to be, sir?

14 A A magazine with a cover and the picture of a person.

15 Q You don't recognize that to be the Rio Doce newspaper,
16 the cover?

17 A Yes, sir.

18 Q And you don't recognize Mr. Valdez?

19 A It could be him, but I never met him in person.

20 Q Well, and of course you didn't have anything to do with
21 his murder; correct?

22 A You are correct.

23 Q Well, isn't it true that his newspaper published at least
24 an article that was very critical of your son, Mini Lic?

25 A Under the orders of my compadre's sons, yes, they did do

Lopez - cross - Balarezo

6051

1 that.

2 Q Order of who?

3 A Ivan, Alfredo.

4 Q So let me get this right, the newspaper published an
5 article critical of your son on the orders of Chapo's sons; is
6 that correct?

7 A You are completely right.

8 Q So when I asked you earlier today about newspapers
9 publishing stories, now this is a different version of what
10 you said earlier?

11 A No. You asked me if I gave money to the journalists.

12 Q One of the things that the newspaper published about your
13 son was basically that he was useless, right; that he was,
14 like, a pathetic trafficker want-to-be; correct?

15 A I was in jail at the time, sir. I didn't see that paper.

16 Q And your son didn't have anything to do with that murder
17 either, I assume?

18 A You are assuming correctly, sir.

19 Q Have you talked to your son about it?

20 A He's in jail.

21 Q Have you talked to your son about it?

22 A No, sir.

23 Q So how can you sit there and testify under oath that I'm
24 assuming correct if you haven't even talked to him about it?

25 A Well, the thing is that my compadre's sons found out that

Lopez - cross - Balarezo

6052

1 I had given an interview by phone with this man here and --

2 Q And did --

3 THE COURT: Excuse me, sir, you asked him an
4 open-ended question. He can finish it.

5 MR. BALAREZO: Fine.

6 A And explaining the motives as to why the man, Ciro Coma
7 Leyva, a very well-known journalist in Mexico was mentioning
8 me where he would say in this news program that I had ambushed
9 my compadre's sons and that one of my compadre's sons had been
10 seriously injured and that Mayo had also been injured and
11 since that was absolutely false, when the journalist
12 approached me I saw that as an opportunity for the truth to be
13 known. But the only thing was that my compadre's sons didn't
14 think that what I thought was right wasn't actually right for
15 them. And if you ask around in Culiacan they're going to tell
16 you that my compadre's sons threatened the editorial house of
17 the -- the journalist in Culiacan and that they forced them to
18 publish some news article just like they wanted it to be
19 published.

20 And they forced this man not to publish the
21 interview that I had given him. But he was a good journalist,
22 he was very ethical and he did publish the article. He
23 disobeyed the threatening orders that my compadre's sons had
24 actually given him and that's why he got killed. And just
25 because my compadre's sons were colluding with the Government

Lopez - cross - Balarezo

6053

1 it wasn't difficult for them to point to other people who were
2 allegedly responsible for that. My son and I are innocent of
3 this man's murder.

4 Q Are you done?

5 A Yes, sir.

6 Q Innocent of the murder; right?

7 A I'm telling the truth.

8 Q Did you --

9 A I have sworn to tell the truth and I'm abiding by my
10 oath.

11 Q Did you see Chapo's sons pull the trigger, or however he
12 died? Did you see that? Yes or no? Yes or no?

13 A No, I did -- no, I did not see that. I was in jail.

14 Q Did you hear them give an order to kill him like you
15 heard all of these other things? Yes or no?

16 A No.

17 Q Were you there when the man was killed? Yes or no?

18 A I was in jail.

19 Q So the answer is no?

20 A No.

21 Q And you haven't talked to your son about it because he's
22 locked up too; right?

23 A Yes, sir.

24 Q So you have no problems here testifying for about five
25 minutes about things that you know nothing about?

Lopez - cross - Balarezo

6054

1 MS. LISKAMM: Objection.

2 THE COURT: Sustained.

3 BY MR. BALAREZO:

4 Q You're not a witness to them, right, you didn't see them?

5 MS. LISKAMM: Objection, asked and answered.

6 THE COURT: Sustained.

7 BY MR. BALAREZO:

8 Q But the truth really doesn't matter to you; right?

9 A Well, the truth is the truth. Maybe my compadre did not
10 know it, but now he does.

11 Q Maybe he did not know it because they aren't true.

12 THE COURT: All right. Let's go on to something
13 else.

14 BY MR. BALAREZO:

15 Q Now when you were extradited --

16 MR. BALAREZO: And, Your Honor, at this point I
17 would like to move into evidence 498 that I think the witness
18 identified as what it purports to be?

19 THE COURT: Actually, you and he were kind of
20 talking past the identification.

21 BY MR. BALAREZO:

22 Q Mr. Lopez, you recognize what's depicted in Exhibit 498;
23 correct?

24 A Yes, I'm looking at it.

25 Q And it's a patch that says Fuerzas Especiales de Damaso?

Lopez - cross - Balarezo

6055

1 A It is not something that I ordered done.

2 Q Do you recognize it?

3 A That, that's real. I did not order that.

4 Q And you've seen this before; correct?

5 A One time I saw a jacket with that, yes, sir.

6 Q And this picture fairly and accurately represents what
7 you saw in that *chamarra*; correct?

8 A It's similar.

9 MR. BALAREZO: I move it into evidence, please.

10 MS. LISKAMM: No objection.

11 THE COURT: Received.

12 (Defendant's Exhibit 498 received in evidence.)

13

14 (Continued on the following page.)

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Lopez Nunez - cross - Balarezo

6056

1 BY MR. BALAREZO: (Continuing)

2 Q And this is the patch for the Fuerza Especiales de Damaso
3 which, of course, you know nothing about?

4 MS. LISKAMM: Objection.

5 THE COURT: Sustained.

6 Q Now, sir, at some point after you came to the United
7 States, you did hire an attorney here in the United States, is
8 that right?

9 A Yes. He was recommended by a Mexican attorney.

10 Q And you hired him to represent you in a case that was in
11 the Eastern District of Virginia, is that correct?

12 A Yes, sir.

13 Q Let me show you what I've marked as Defense Exhibit 487,
14 for the witness only.

15 Do you recognize this document, sir?

16 A I've seen many similar ones. I think so. I've had it in
17 front of me.

18 MR. BALAREZO: If the interpreter can read that
19 portion that's highlighted.

20 (Translation.)

21 A Yes.

22 Q That's your indictment, correct?

23 A Correct.

24 Q You've seen it before?

25 A I think so.

Lopez Nunez - cross - Balarezo

6057

1 Q It's a document that charges you with committing a crime
2 in the Eastern District of Virginia, is that correct?

3 A Yes, sir.

4 Q And that's the case to which you have pled guilty and for
5 which you're cooperating here about, right?

6 A I pled guilty. I later signed an agreement and I'm here.

7 MR. BALAREZO: Your Honor, I think without
8 objection, I'd like to move into evidence Defense Exhibit 487.

9 MS. LISKAMM: No objection.

10 THE COURT: Received.

11 (So marked.)

12 Q Now, sir, this is obviously your indictment as you've
13 said. Who is charged in this indictment?

14 A Me.

15 Q Who else?

16 A My son.

17 Q And the name Chapo Guzman does not appear anywhere in
18 this indictment, does it?

19 A I think he has his own indictment.

20 Q All right. Let's try to answer the question.

21 Does Chapo Guzman's name appear anywhere on this
22 indictment in which you are charged with your son?

23 A I don't see it.

24 Q Do you see it on the second page?

25 A I can't see it either.

Lopez Nunez - cross - Balarezo

6058

1 Q Do you see it on the third page?

2 A No, I can't see it either, sir.

3 Q And this particular document, obviously you nor your
4 lawyer had any role in writing it out, correct?

5 A I think that the government is in charge of that.

6 Q That's correct. So the government, if they wanted to put
7 Chapo Guzman's name in your indictment, they could have done
8 that, right?

9 A I do not know that.

10 Q "*No conozco*" or "*reconozco*"?

11 A I do not know that.

12 Q Well, this indictment covers a period or he's charged
13 with conspiracy, is that right?

14 A Yes, sir.

15 Q And this conspiracy begins in 2003 until the date of the
16 indictment?

17 A Yes, sir.

18 Q Which is December 4, 2016. Correct?

19 A Yes, sir.

20 Q And isn't it true that that's the same period that you've
21 been testifying about here?

22 A Yes. It's the time that I worked with my *compadre*.

23 Q But then again, Chapo Guzman is not charged with you in
24 this indictment, is that correct?

25 A Yes. That's correct.

Lopez Nunez - cross - Balarezo

6059

1 Q And not only are you charged with a conspiracy, a
2 narcotics conspiracy, but the government also says that they
3 want to seize \$10 billion upon conviction, right?

4 A Yes, that's what it says.

5 Q Now, the reason you and your son are charged in this
6 indictment which does not mention Chapo Guzman is because you
7 and your own son were your own drug trafficking conspiracy,
8 isn't that right?

9 A We also worked in drug trafficking but we depended on my
10 *compadre*.

11 Q Let me show you Defense Exhibit 488. You recognize this,
12 correct?

13 A Yes, sir.

14 Q And this is a statement of facts that goes along with
15 your plea agreement, right?

16 A Yes, sir.

17 Q And for this particular statement of facts, again, the
18 government is the one that writes it out; you and your lawyer
19 did not write it out, correct?

20 A Yes. Those are documents that the government prepares.

21 Q And you and your lawyer didn't suggest language that you
22 didn't like, correct?

23 A I did not have the faculty to do that.

24 Q Neither did your lawyer?

25 A I don't know whether he did.

Lopez Nunez - cross - Balarezo

6060

1 Q Hold on to that thought.

2 Now, this paragraph 2 where it says -- and these are
3 facts that you agreed to, is that correct, your signature?

4 A Yes, sir.

5 Q And you said that you fully understand the statement of
6 facts and agreed to it without reservation, is that right?

7 A Yes, sir.

8 Q So you agreed when you signed this document that from --

9 MR. BELAREZO: Well, Your Honor, can I introduce
10 this? I'm sorry. I don't think I did. I don't think I moved
11 it.

12 THE COURT: Any objection?

13 MS. LISKAMM: It's already in.

14 MR. BALAREZO: This is Defense Exhibit 488, the same
15 version.

16 Q Paragraph 2, you agreed you and your son, Domasco Lopez
17 Serrano, rose to become a senior leader of a faction of the
18 Sinaloa Cartel. Do you see that?

19 A Yes.

20 Q That's correct, right?

21 A Yes. The fact that we were the heads of the Mazatlan
22 section and the Mochis section --

23 Q Where do you see -- there's no question. I'm over here.

24 A -- that made us look as bosses.

25 Q Where does it say Mochis or Mazatlan in this document?

Lopez Nunez - cross - Balarezo

6061

1 A No, I'm not saying that that is written there.

2 Q All right. And I note earlier, you said you are also not
3 responsible for large scale drug trafficking. Do you remember
4 that?

5 A Yes, sir.

6 Q And yet here, you agreed that you were responsible for
7 the distribution of tonnage, quantities of narcotics, right?

8 A Yes, because it is a conspiracy.

9 Q Let me ask you this --

10 A And the conspiracy involves several people, not just one.

11 Q This is your plea agreement, right?

12 A Yes, sir.

13 Q Your indictment?

14 A Yes, sir.

15 Q Your statement of facts?

16 A Yes, sir.

17 Q Do you want to change that now? You were not responsible
18 for tonnage quantities?

19 MS. LISKAMM: Objection.

20 THE COURT: Overruled.

21 A No. Well, you read the indictment. It says conspiracy.

22 Q That's nice, but now we're talking --

23 A I don't want to change it.

24 Q -- about the document that you signed.

25 That's nice. And now we're talking about this

Lopez Nunez - cross - Balarezo

6062

1 document that you signed.

2 A Yes, I do admit it. I signed it.

3 Q And your faction, your group, consisted of hundreds of
4 men who reported to you, right?

5 A I already told you that a moment ago.

6 Q You oversaw the financing of massive cocaine shipments?

7 A Yes, sir.

8 Q You controlled various cities and regions within Mexico
9 for the Sinaloa Cartel?

10 A Yes, sir.

11 Q The cartel, and specifically members of your faction,
12 employed *Sicarios* and hit men who carried out numerous acts of
13 violence, right?

14 A Yes, sir.

15 Q But yet, you still want to say you never killed anybody;
16 you just gave the orders, right?

17 A I never killed anyone.

18 Q Now, your plea agreement itself, Defense Exhibit 489-A --

19 MS. LISKAMM: It's already evidence.

20 MR. BALAREZO: I'll move this into evidence, 489-A.

21 THE COURT: That's in.

22 MR. BALAREZO: Thank you.

23 Q You see this, sir; this is your plea agreement, correct?

24 A Yes, sir.

25 Q And just so we have no mistakes, that is your signature

Lopez Nunez - cross - Balarezo

6063

1 in the back?

2 A I do admit it as mine.

3 Q And here's that attorney's signature, is that correct?

4 A Yes, sir.

5 Q You reviewed this plea agreement very carefully with your
6 lawyer, right?

7 A Yes, sir.

8 Q And you understood every word of it, is that right?

9 A I understood, I understood the document.

10 Q Now, just very quickly, you know, that when you pled
11 guilty to this offense, by law, you are facing a ten-year
12 mandatory minimum up to life in prison, right?

13 A Yes, sir.

14 Q And you know that if you get a life sentence in the
15 United States, that you are going to die in prison, is that
16 right?

17 A That's clear to me.

18 Q And, in fact, part of the plea agreement explains what
19 your federal sentencing guidelines are, what the estimate is,
20 right?

21 A Yes, sir.

22 Q And because you possessed a firearm, because you used
23 violence, because you used aircraft and submarines, because
24 you bribed, because you played an aggravating role, your
25 guidelines come to a level 49. Is that right?

Lopez Nunez - cross - Balarezo

6064

1 A Yes, sir.

2 THE COURT: How are you doing on time?

3 MR. BALAREZO: Ten minutes max or less. Three
4 minutes maybe? Seven minutes? I'll finish.

5 THE COURT: Seven minutes max.

6 MR. BALAREZO: I will finish.

7 Q You've seen a federal sentencing chart, correct?

8 A Yes, sir, the lawyer showed it to me.

9 MR. BALAREZO: Any objection? No objection.

10 THE COURT: I thought it was already in.

11 MR. BALAREZO: We have another version.

12 Q So, sir, reading quickly, this is the guidelines that or
13 the guideline table that your plea agreement refers to, is
14 that correct?

15 A Yes, sir.

16 Q So your guideline of 49 is actually off the charts, is
17 that right?

18 A Yes, sir.

19 Q So now, having understood this plea agreement and having
20 reviewed it with your lawyer, you know that one of the
21 provisions of this plea agreement is that the United States
22 and the defendant agree to recommend, pursuant to that law and
23 the sentencing guidelines, that the court sentence the
24 defendant to life imprisonment, correct?

25 A Yes, but that disposition could only be made by the judge

Lopez Nunez - cross - Balarezo

6065

1 and that is, in fact, what happened. I was precisely
2 sentenced to life.

3 Q Right, but my point is the government, you and your
4 lawyer agreed that a life sentence was what would be, should
5 be recommended, right?

6 A Yes, sir.

7 Q That's a hell of a plea agreement you've got, right,
8 life?

9 A I have no experience with that.

10 Q You had a lawyer who spoke Spanish, right?

11 A Yes.

12 Q And he explained it and you signed the agreement?

13 A I don't know whether that's a hell of an agreement, but
14 it was the agreement -- as you say, but it is the agreement
15 that I accepted and I signed it.

16 Q It's an agreement and you signed it to recommend life to
17 your judge. Why are you here then? You got life.

18 A Yes, sir.

19 Q So why are you here? You got the sentence you wanted.

20 A Well, I signed a cooperation agreement and I am here.

21 Q All right. To tell the truth?

22 A I have always told the truth.

23 (Continued on next page.)

24

25

1 MR. BALAREZO: How much more?

2 THE COURT: I've got to give them a chance to
3 redirect.

4 MR. BALAREZO: I have nothing further.

5 THE COURT: I don't want to cut you off.

6 MR. BALAREZO: No further questions.

7 THE COURT: Any redirect?

8 MS. LISKAMM: Yes, Your Honor.

9 THE COURT: And how long?

10 MS. LISKAMM: I don't know if I can commit to three
11 minutes. I think it's somewhere more than 5 or 10 minutes.

12 THE COURT: I am not going to give you ten minutes.

13 MS. LISKAMM: Okay.

14 THE COURT: Which means I am not going to let
15 Mr. Balarezo pass the witness yet. I am going to give
16 Mr. Balarezo another ten minutes tomorrow morning if he wants
17 it.

18 MR. BALAREZO: Thank you.

19 THE COURT: And I will give you as long as you want.

20 MR. BALAREZO: Thank you, Your Honor.

21 MS. LISKAMM: Thank you, Your Honor.

22 THE COURT: Ladies and gentlemen, we will now close
23 for the evening.

24 Please stay away from any media summaries of the
25 case. Do not communicate about the case with anyone or talk

1 to them. Don't do any research about the case. We are really
2 making very good progress and we will get you the case I'll
3 say in the near future.

4 Have a good evening. We will see you tomorrow
5 morning.

6 (Jury exits.)

7 THE COURT: All right. The marshals can take the
8 witness out.

9 (Witness steps down and exits.)

10 THE COURT: Mr. Balarezo, you don't have to use that
11 time tomorrow but I knew you were rushing to meet the deadline
12 and I figured since the government cannot finish today anyway,
13 you should have a chance.

14 MR. BALAREZO: I'll try not to.

15 THE COURT: The other thing I wanted to tell the
16 parties is I am working pretty hard on the jury instructions.
17 I did not really care for your side's proposal. I am finding
18 it very complicated instructions. I am kind of doing my own.
19 I am going to get them to you as soon as I can. The main
20 problem is the repetition problem that I just do not want the
21 jury to have to listen to two and a half hours of instructions
22 if I can avoid it. So you will see and we will have a
23 charging conference and see if we can come together on it. If
24 not, it will be my way.

25 Okay.

1 MR. PURPURA: Judge, just to save some time tomorrow
2 morning, it's my understanding the government's next witness
3 will be, they're going to attempt to qualify John Paul Osborn
4 as an expert, actually an expert in handwriting analysis.

5 My first objection would be the 403 objection.
6 These are the three letters where the initials are JGL at the
7 bottom of it. These are the three letters that Mr. Damasco --
8 excuse me -- Mr. Lopez just went through and identified who
9 the handwriting was and who sent the letter to him and these
10 will be three letters which self authenticated in the author
11 within of the letter itself. So that's the 403 objection. So
12 you know in advance.

13 THE COURT: Okay. Well, let me rule on it in
14 advance. I am going to overrule it unless you are willing to
15 stipulate that, in fact, he wrote the letters.

16 MR. PURPURA: That was the request and the answer to
17 that is no as well.

18 THE COURT: So you are attacking the credibility of
19 all the other sources that might support what you are saying
20 is already there so the government has the right to call an
21 expert.

22 MR. PURPURA: Although this wasn't an original
23 witness, he wasn't put down as a witness, there was no Daubert
24 challenge to this particular science itself. There is plenty
25 of literature out there that, in fact, handwriting analysis

6069

1 under 702 is junk science. It's not a science at all. At
2 best, it would be a skill.

3 So, I am going to ask the Court to consider that if,
4 in fact, Mr. Osborn is qualified in any fashion, it should be,
5 if any, as a skill which is a learned skill to identify
6 certain features, not that it is a science itself.

7 (Continued on next page.)

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CMH

OCR

RMR

CRR

FCRR

Proceedings

6070

1 (Continuing.)

2 THE COURT: I'm certainly familiar with the
3 literature to which you're referring.

4 If you've noticed, generally speaking, I don't -- in
5 accordance with a lot of judges in a lot of district but not
6 this one, I never tell the jury that somebody is an expert. I
7 tell them they have a specialized skill that allows them to
8 give opinion testimony that other witnesses are not allowed to
9 give. The only time it comes up is in the jury instructions,
10 when we actually use the word "expert" to say experts are
11 allowed to give opinion.

12 So, if he's tendered to me as an expert tomorrow,
13 all I will say is what I've said with the other experts, which
14 is that he's qualified to give his opinions, if I find that he
15 is. And then whether we deal with that later in the jury
16 instructions, we'll wait until the charging conference and
17 figure it out.

18 MR. PURPURA: Thank you.

19 THE COURT: Anything else?

20 MS. PARLOVECCHIO: Your Honor, briefly, for the
21 record, we've provided notice of this expert well in advance
22 of trial.

23 THE COURT: It is late for the challenge to the
24 science of handwriting, I will say. You know, there have been
25 judges who have had a week of hearings on this.

Proceedings

6071

1 MS. PARLOVECCHIO: He's been qualified in this
2 court, your Honor.

3 THE COURT: I'm sure he's been qualified all over.

4 MR. PURPURA: It's in New York, exclusively. Last
5 time was in the Southern District, and that was in 2014. And
6 two years later, another Southern District judge completely
7 suggested that the handwriting should not be accepted in any
8 case.

9 THE COURT: Like I said, I'm very familiar with
10 that. I'm very familiar with the challenge to ballistics, to
11 identification, all the other things that for a hundred years
12 we've been relying on in court.

13 But I don't have that have properly before me on
14 this one, really.

15 MR. PURPURA: I will have voir dire. And I'm
16 letting the Court know that during the voir dire of this
17 expert, I'm going to go into it.

18 THE COURT: That's perfectly legitimate.

19 MR. PURPURA: I've been learning the science, or the
20 lack of science.

21 MS. PARLOVECCHIO: Your Honor, this shouldn't be a
22 full-blown *Daubert* hearing in front of the jury.

23 THE COURT: It's not going to be.

24 MS. PARLOVECCHIO: He should have addressed this in
25 pretrial motion practice.

Proceedings

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1 THE COURT: He's allowed to voir dire into expertise
2 within reason. Within reason. It's not going to turn into a
3 *Daubert* hearing. We're much too far into the case for that.

4 MR. PURPURA: Certainly.

5 THE COURT: See you tomorrow morning.

6

7 (Matter adjourned until Thursday, January 24, 2019,
8 at 9:30 a.m.)

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I N D E X

WITNESS

PAGE

DAMASO LOPEZ NUNEZ

DIRECT EXAMINATION BY MS. LISKAMM

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CROSS-EXAMINATION BY MR. BALAREZO

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E X H I B I T S

Government Exhibit 515-5

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Government Exhibit 106

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Government Exhibits 806-1, 806-2, and 806-3

5920

Government Exhibit 517

5921

Government Exhibits 601L and 601L-8

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Defendant's Exhibit 498

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Defense Exhibit 487

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